

# **Kuyahoora Valley Newport Rotary Club**

## **Policy Governing Potential Conflict of Interest**

The purpose of this conflict of interest policy is to protect the Kuyahoora Valley Newport Rotary Clubs (hereafter referred to as "Club") interests when it is considering entering into a transaction or arrangement that might benefit the private interest of an officer, director or delegate of the Club or might result in a possible excess benefit transaction.

### **Regulations**

#### **1. Compensation**

No voting member of the governing board, any committee member or delegate will receive compensation, directly or indirectly, from the Club for services provided unless they have fully complied with this policy including receiving prior formal approval of the governing board.

#### **2. Business deals**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Club has a transaction or arrangement,
- b. A compensation arrangement with the Club or with any entity or individual with which the Club has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Club is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**Procedure:**

1. In the situation of possible conflict of interest, an interested party must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board shall determine whether the Club can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Club's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Adopted at the BOD meeting on DATE.

Signature

Date

*Dorene Kortner, President 2018-2019*  
*1/15/19*  
*Tuyakoora Rotary*