

## HANDOUT #8

### Sample - Conflict of Interest Policy (Source: Minnesota Nonprofit Council)

The Board shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization, or (c) an organization in or of which a director of *Organization* is a director, officer, or legal representative, or in some other way has a material financial interest unless:

1. That interest is disclosed or known to the Board of Directors,
2. The Board approves, authorizes or ratifies the action in good faith,
3. The approval is by a majority of directors (not counting the interested director),
4. At a meeting where a quorum is present (not counting the interested director).

The interested director may be present for discussion to answer questions, but may not advocate for the action to be taken and must leave the room while a vote is taken. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

### Sample Form

Best practices recommend that nonprofit boards have directors sign an annual statement regarding conflicts. One potential statement is as follows:

The undersigned person acknowledges receipt of a copy of the corporate "Resolution Concerning Conflict of Interest" dated \_\_\_/\_\_\_/\_\_\_, By my signature affixed below I acknowledge my agreement with the spirit and intent of this resolution and , I agree to report to the President of the Board of Directors any possible conflicts (other than those stated below) that may develop before completion of the next annual statement.

\_\_\_\_\_ I am not aware of any conflict of Interest

\_\_\_\_\_ I have a conflict of interest in the following area(s)