

XYZ NONPROFIT CONFLICT OF INTEREST POLICY AND CONTRACT

Statement Of Policy

Each member of the Board of Directors for the XYZ Nonprofit has a duty to place the interest of the organization foremost in any dealings with or on behalf of the organization. No member shall use his or her position, or the knowledge gained therefrom, in such a manner that a conflict arises between the interest of the organization and his or her personal interests.

As much as is possible, conflicts of interest are to be avoided. However, the fact that a Director has a conflict of interest with the organization does not necessarily mean that a professional transaction cannot occur. There may be occasions when the Board wants to engage in the transaction, even with the conflict. In accordance with the Colorado Nonprofit Corporate Act, conflicting interest transactions of this organization are protected if:

- Material facts are disclosed, and a majority of the disinterested Directors approves the transaction in good faith; and
- The transaction is “fair as to the nonprofit corporation.”

The method to be used for determining that a particular transaction is fair to the organization is a favorable vote, as outlined in the organization’s bylaws, by those Directors who are not involved in the conflict.

Each Board member is expected to provide all material facts and personal interests that may be determined to present a conflict of interest before any discussion or negotiation of such transaction. He/she may not participate in the discussion relating to the transaction, and may not vote on the transaction. –OR– The Board member with a conflict may not vote on the transaction, but is not prohibited from participating in Board discussion regarding the transaction.

Resolution of any unprotected transaction may necessitate the termination of a professional relationship with a particular vendor or client, or, in the extreme, resignation of one’s position within the organization.

Implementation of Policy

To implement this policy, Board members of the organization will acknowledge understanding and acceptance of this policy by signing the attached, and by submitting the attached report of material facts and personal interests. These reports will be reviewed by the Board of Directors, which will attempt to resolve any actual or potential conflict.

If not previously disclosed, Board members will make disclosure prior to any relevant action by the Board.

**ACCEPTANCE OF
XYZ NONPROFIT
CONFLICT OF INTEREST POLICY**

As a member of the Board of Directors for XYZ Nonprofit, I hereby acknowledge that I have read and understand this Conflict of Interest policy, and that I accept its conditions as outlined.

Signature

Date

Identified material facts and personal interests that may conflict with the best interest of the organization (please list any current, past or planned personal, professional, business or other interests or associations that may be actually or perceived as in conflict with the best interest of XYZ Nonprofit):