

CONFLICT OF INTEREST POLICY

A. Purpose

The purpose of the conflict of interest policy is to protect the Master Gardener Foundation of Thurston County's (MGFTC) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any member of the MGFTC. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations. A conflict of interest policy is intended to help ensure that when actual or potential conflicts of interest arise, the organization has a process in place under which the affected individual will advise the board about all the relevant facts concerning the situation.

B. Definitions

- Conflict of Interest: A conflict of interest may occur when an individual derives any personal profit or gain, directly or indirectly, by reason of his or her participation in the MGFTC. A financial interest is not necessarily a conflict of interest. Transactions are acceptable if they benefit the organization and the board's decisions are made in an open and objective manner.
- Covered Person(s)
 - Any member of the board of directors as defined in Article VI and VII of the Bylaws of the Master Gardener Foundation of Thurston County.
 - Any individual who has board delegated purchasing power.

C. Disclosure/Annual Statement

The basic safeguard against entering into any actual or apparent conflict of interest is disclosure. Board members shall complete and sign a disclosure form in January of each year and be reminded that they are under an obligation to disclose potential conflicts of interest whenever they arise. Other covered persons will sign a disclosure form upon appointment to a position with purchasing power and annually thereafter as long as they hold that position.

Each covered person shall annually sign a statement (Appendix B) which affirms that such person:

- Has received a copy of the conflict of interest policy.
- Has read and understands the policy.
- Has agreed to comply with the policy.
- Understands that the MGFTC is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

In connection with any actual or possible conflicts of interest, a covered person must disclose the existence of his or her financial interest and all material facts to the MGFTC board.

D. Determining Whether a Conflict of Interest Exists

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

E. Procedures for Addressing the Conflict of Interest

- A covered person may make a presentation at the board meeting, but after such 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.
- The president of the board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the board shall determine whether the MGFTC 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.
- If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board shall determine by a majority vote of the disinterested board members whether the transaction or arrangement is in the MGFTC's best interest and for its own benefit, and whether the transaction is fair and reasonable to the MGFTC. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

F. Violations of the Conflict of Interest Policy

If the board has reasonable cause to believe that a covered person has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the covered person and making further investigation as may be warranted by the circumstances, the board determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Records of the Proceedings

The minutes of the board shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's decision as to whether a conflict of interest in fact existed.
- The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a records of any votes taken in connection with the proceedings.