



## **SHLB CONFLICT OF INTEREST POLICY**

For Board of Directors, Officers & Employees Article

### **Article I – Purpose**

1. The purpose of this Conflict of Interest Policy is to protect Schools, Health & Libraries Broadband (SHLB) Coalition's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a Director, officer, or staff member of SHLB or might result in a possible excess benefit transaction.
2. The policy is intended to supplement but not replace, any applicable District of Columbia or federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

### **Article II – Definitions**

1. Interested person: Any SHLB director, officer, or employee who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest: A person has financial interest if the person has, directly or indirectly, through business, investment, or family:
  1. An ownership or investment interest in any entity with which SHLB has a transaction or arrangement.
  2. A compensation agreement with SHLB or with any entity or individual with which SHLB has a transaction or arrangement, or
  3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SHLB is negotiating a transaction or arrangement.

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

Note: 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 Board or Executive Committee decides that a conflict of interest exists in accordance with this policy.

### **Article III – Compensation**

1. SHLB may, from time to time, engage the professional services of a voting Board member if the individual is qualified to do the work and the compensation requested is reasonable.
2. A voting member of the Board who receives compensation directly or indirectly, from SHLB for services is precluded from voting on matters pertaining to that member's compensation. (Note that the overall budget for SHLB is a separate matter, and the Board member shall be able to vote on the overall budget.)

### **Article IV – Procedures**

1. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee.
2. Recusal of Self: Any Director may recuse himself or herself at any time from involvement in any decision or discussion in which the Director believes he or she may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
3. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Executive Committee meeting or call while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.

### **Article V – Handling Violations**

1. If the Board or Executive Committee has reasonable cause to believe a member 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 the opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article VI – Records of Proceedings**

The minutes of the Board and all committees with Board-delegated powers shall contain:

1. 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 or Executive Committee's decision as to whether a conflict of interest in fact existed.
2. 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 record of any votes taken in connection with the proceedings.

## **Article VI – Annual Statements**

1. Each Director, officer, and employee shall annually sign a statement that affirms such Person:
  1. Has received a copy of the conflict of interest policy
  2. Has read and understands the policy
  3. Has agreed to comply with the policy, and
  4. Understands SHLB is charitable, and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.
2. If at any time during the year, the information in the annual statement changes materially, the Director, officer, or employee shall disclose such changes and revise his or her annual disclosure form.
3. The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking other such action as are necessary for effective oversight.

**ADDENDUM 1: CONFLICT OF INTEREST DISCLOSURE FORM**

The undersigned, as a director, manager, principal, officer, or member of a committee with governing board-delegated powers, of **Schools, Health & Library Broadband Coalition** (SHLB), acknowledges that:

1. I have received a copy of SHLB’s Conflict of Interest Policy (the “Policy”);
2. I have read and understand the Policy;
3. I agree to comply with the Policy; and
4. I understand SHLB is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Therefore, I (the undersigned) declare that:

No conflict of interest exists.

–or–

A conflict of interest may exist.

If you checked #2, please describe the relationships and/or interests which the undersigned believes may present a potential conflict:

Board Member Name: \_\_\_\_\_

Board Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_