# LYNDALE NEIGHBORHOOD ASSOCIATION CONFLICT OF INTEREST POLICY

**SECTION 1. PURPOSE**:

Lyndale Neighborhood Association (“LNA”) is a nonprofit, tax-exempt organization accountable to its members and government regulatory authorities. LNA’s maintenance of its

tax-exempt status is important both for its continued financial stability and for public support. Consistent with its fiduciary duties, LNA’s board of directors (“board”), officers and staff must administer the affairs of LNA honestly and prudently. They must exercise their best care, skill, and judgment for LNA’s sole benefit, use their utmost good faith in all transactions involved in their duties, and refrain from using their positions with LNA, or knowledge gained therefrom, for their personal benefit. LNA’s interests must be the first priority in their actions.

# SECTION 2. PERSONS CONCERNED:

This policy covers not only LNA directors but all staff who can influence the actions of

LNA, including those who make purchasing decisions or have proprietary concerning LNA.

# SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors and staff with any of the following third parties:

1. Persons and firms supplying goods and services to LNA.
2. Persons and firms from whom LNA leases property and equipment.
3. Persons and firms with whom LNA is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and other supporters of LNA.
6. Agencies, organizations, and associations which affect the operations of LNA.
7. Family members, friends, and other employees.

# SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms identified in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with LNA.

2. Holding office, serving on the board, participating in management, or being otherwise employed with any third party dealing with LNA.

3. Receiving remuneration for services with respect to individual transactions involving LNA.

4. Using LNA’s time, personnel, equipment, supplies, or good will for other than LNA-approved activities, programs, and purposes.

5. Receiving personal gifts or loans from third parties dealing or competing with

LNA. Receipt of any gift is disapproved except gifts of a value less than $50, which could not be refused without discourtesy. No personal gift of money

should ever be accepted.

# SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas and nature of conflicting interests identified in Sections 3 and 4 above are not exhaustive. Conflicts might arise in other areas or through other relations.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists; that the conflict, if it exists, is material enough to be of practical

importance; or that, if the conflict is material, is it is necessarily adverse to LNA’s interests after full disclosure of all relevant facts and circumstances.

This policy requires disclosure by directors, officers and staff of any of the interests described in Section 4 before any transaction is consummated, and continuing scrutiny of their transactions, outside business interests and relationships for potential conflicts.

# SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

LNA directors and staff must complete the LNA Conflict of Interest Disclosure Statement attached hereto. LNA directors and staff must annually acknowledge and, as necessary, update their Disclosure Statements.

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The board has authorized the transaction.

Disclosure of a conflicting interest should be made to the President of LNA or, if she or he is the one with the conflict, then to the Vice President of LNA, who shall bring the matter to the attention of the board.

The board shall determine in its sole discretion whether a conflict exists and, in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to LNA in light of the advancement of LNA’s welfare and purpose.

# LYNDALE NEIGHBORHOOD ASSOCIATION CONFLICT OF INTEREST DISCLOSURE STATEMENT

1. NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)

## CAPACITY: 1) \_

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 Director 2) \_

Officer 3)\_

Staff (position )

1. Have you or any of your affiliated persons1 provided services or property to LNA in the past year?

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## \_ \_YES \_ \_NO

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If yes, please describe the nature of your services or property. If an affiliated person is involved, describe the identity of and your relationship with the affiliated person:

1. Have you or any of your affiliated persons purchased services or property from LNA in the past year?

## \_ YES \_ \_NO

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If yes, please describe the purchased services or property. If an affiliated person is involved, please describe the identity of and your relationship with the affiliated person:

1. Please indicate whether you or any of your affiliated persons had any direct or indirect in interest in any business transaction(s) in the past year to which LNA was or is a party?

## \_ \_YES

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NO

1 In order to be more comprehensive, this disclosure statement requires that you provide information with respect to parties affiliated with you (“affiliated persons”), including your spouse, domestic partner, child, mother, father, brother or sister; any corporation or organization of which you are a board member, an officer, a partner, a manager, an employee or, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

If yes, describe the transaction(s). If an affiliated person is involved, please describe the identity of and your relationship with the affiliated person:

1. Were you or any of your affiliated persons indebted to pay money to LNA at any time in the past year (other than travel advances or the like)?

## \_ \_YES \_ \_NO

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If yes, please describe the indebtedness. If an affiliated person is involved, please describe the identity of and your relationship with the affiliated person:

1. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from or resulting from your

relationship with LNA that, in the aggregate could be valued in excess of $1,000, that were not or will not be compensation directly related to your duties to LNA?

## \_ \_YES \_ \_NO

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If yes, please describe the benefit(s). If an affiliated person is involved, please describe the identity of and your relationship with the affiliated person:

1. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving LNA?

## \_ YES \_ \_NO

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If yes, please describe the proceeding(s). If an affiliated person is involved, please describe the identity of and your relationship with the affiliated person:

1. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur that you believe should be examined by LNA's board in accordance with the terms and intent of LNA’s conflict of interest policy?

## \_ \_YES \_ NO

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If yes, please describe the situation(s). If an affiliated person is involved, please describe the identity of and your relationship with the affiliated person:

I HEREBY CONFIRM that I have read and understand LNA’s Conflict of Interest Policy. My responses to the above questions are complete and correct to the best of my knowledge and belief. If I become aware of any information that might render this disclosure is inaccurate, I will promptly disclose it as required by the LNA Conflict of Interest Policy.

Signature Date

I ACKNOWLEDGE that I have reviewed this Disclosure. My responses to the above questions remain complete and correct to the best of my knowledge and belief.

Signature Date