

## Conflict of Interest/Confidentiality Policy

### Definitions:

The following terms shall have the meanings indicated when used herein:

1. **Affiliate** means any entity in which the Boys & Girls Clubs of Metro Denver has an ownership, investment, voting, or controlling interest.
2. **Board of Directors** means either the Board of Directors of the Boys & Girls Clubs of Metro Denver or of its subordinates, as applicable.
3. **Conflict of Interest.** A conflict of interest is present whenever a director or officer has a material personal interest in a proposed contract or transaction to which the Corporation may be a party. This interest can occur directly or indirectly and need not involve money. The director or officer may be personally involved with the transaction, or may have an employment or investment relationship with an entity with which the Corporation is dealing, or it may arise from some family relationship. A conflict may also result from a director or officer performing personal services for the Corporation.
4. **Corporation** means the Boys & Girls Clubs of Metro Denver, its subordinate mutual housing associations, and affiliates.
5. **Director** means a member of the Board of Directors of Boys & Girls Clubs of Metro Denver or its subordinates, and also means a person appointed to serve on behalf of the Boys & Girls Clubs of Metro Denver on the board of directors of an affiliate.
6. **Officer** means any officer so named pursuant to the articles or bylaws of the Boys & Girls Clubs of Metro Denver, its subordinates, or affiliates.

### Duties of Directors and Officers:

1. **Duty of Loyalty:** Directors and Officers owe a Duty of Loyalty to the Corporation. This Duty of Loyalty requires directors and officers to exercise their powers in the interest of the Corporation not in their own interest or the interest of another entity or person.
2. **Duty to Disclose a Conflict of Interest:** Except for certain situations in which a Conflict of Interest is strictly prohibited, a director or officer may have a Conflict of Interest with the Corporation. Conflicts of Interest are not illegal nor are they to be regarded as a reflection on the integrity of the Board of Directors or the director or officer. However, a director or officer must disclose a Conflict of Interest, as provided herein, as soon as he or she becomes aware of the Conflict of

Interest and certainly before the Corporation takes action on the matter. In order to aid the Corporation in determining when a potential for a Conflict of Interest exists, directors and officers will annually complete the attached potential Conflict of Interest Disclosure Statement.

3. **Duty to Refrain from a Conflict of Interest:** In certain situations, as stated below, a Conflict of Interest is strictly prohibited
  - a) No director or officer shall participate in the selection, award or administration of a contract to be paid with federal funds if a real or apparent Conflict of Interest would be involved. Such a Conflict of Interest would arise when the director or officer, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ the director or officer, family members, or partners, has a financial or other interest in the firm selected for an award.
  - b) No director or officer shall solicit nor accept gratuities, favors, or anything of monetary value in excess of \$100.00, in the aggregate from a single source, from contractors or subcontractors, where the contract or subcontract is to be paid with federal funds or any other source.
  - c) No director or officer shall directly receive a loan from the Corporation.
  - d) No director or officer shall directly receive compensation either through salary, commission, or payment upon invoice, from the Corporation. This prohibition shall not apply to employees of the Boys & Girls Clubs of Metro Denver or its subordinates who are required by their employer to be a director or officer of the Boys & Girls Clubs of Metro Denver or its subordinates.
  - e) No director or officer shall directly receive compensation for exercising their duties as director or officer of the Corporation, except for the reimbursement of expenses.
4. **Duty to Preserve Corporate Opportunity:** Before a director or officer engages in a transaction which he or she should know may be of interest to the Corporation, the director or officer should disclose the transaction to the Board of Directors or the Affiliate in writing and in sufficient detail and with adequate advance notice to enable the Board of Directors or the Affiliate to act or decline to act with regard to such transaction in a timely manner.
5. **Duty of Confidentiality:** A director or officer should not disclose information about the Corporation's future plans or present activities unless they are already known by the public or are of public record.

6. **Duty of Familiarity with Policies:** Directors and officers will attest annually to their familiarity with these policies.

### **Procedure for Addressing Conflicts of Interest**

1. **Disclosure:** Whenever a director or officer becomes aware of a Conflict of Interest in his or her personal situation, or has any doubt as to any activity, interest or relationship which could be construed as a Conflict of Interest, such individual shall promptly report the fact in writing to the Board of Directors or to the Chief Executive Officer of any Affiliate. If the director or officer does not become aware of the Conflict of Interest prior to the presentation of such matter before the Board of Directors or the Affiliate, the disclosure shall be made orally as soon as he/she becomes aware of the Conflict of Interest during the meeting and shall be followed up with a written disclosure directed to the Board of Directors or the Affiliate.
2. **Recording:** The secretary to the Board of Directors shall assure that the disclosure is recited in full in the minutes of the Board of Directors at which the matter relating to the Conflict of Interest was discussed. The minutes shall also show that the director or officer did not participate in the discussion of the matter or in the vote, as required herein.
3. **Limited Disclosure:** Where possible, the director or officer shall fully disclose the existence of a Conflict of Interest and its nature (e.g., those arising from financial or family relationships, or professional or business affiliations). However, if a director or officer cannot reveal the nature of his or her Conflict of Interest, such director or officer shall inform the Board of Directors or any affiliate of the existence of a Conflict of Interest and state that the details can not be disclosed.
4. **Recusal:** The Director or officer with a Conflict of Interest shall recuse him or herself from participation in any discussions of the matter before the Board of Directors or any committee thereof, or any affiliate, and shall not participate in any vote thereon. However, the presence of the director or officer with a Conflict of Interest may count toward a quorum.

### **Duty of the Board of Directors when a Conflict of Interest is Disclosed**

1. **Duty Act in Good Faith:** The disclosure of a Conflict of Interest does not prohibit the disinterested Board of Directors from approving the matter involving the Conflict of Interest. However, the Board of Directors must provide a disinterested review of the matter, and must act in good faith.
2. **Duty to Determine the Best Interests of the Corporation:** In acting on a matter involving a Conflict of Interest, the Board of Directors must determine that the

matter is fair to the Corporation and must consider the best interests of the Corporation. The facts indicating fairness and how the corporation's best interests are served must be stated in the resolution approving the matter.



### Potential Conflict of Interest Disclosure Statement

Name: \_\_\_\_\_ Office/Position Held: \_\_\_\_\_

In responding to these questions, please note that a “yes” answer does not imply that the relationship or transaction was necessarily inappropriate.

- 1) Are you an officer or director of any corporation with which the Boys & Girls Clubs of Metro Denver (the Organization) has business dealings\*, other than as a member of the Organization?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is “yes,” please list the names of such corporations, the office held and the appropriate dollar amount of business involved with the Organization for last year.

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- 2) Do you, or does any member of your family, have a financial interest in, or receive any remuneration or income from any business organization with which the Organization has business dealings?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is “yes,” please supply the following information:

- a. Names of business organizations in which such interest is held and the person(s) by whom such interest is held:

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b. Nature and amount of each such financial interest, remuneration or income:

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3) Did you, or any member of your family receive during the past twelve months any gifts or loans from any source from which the Organization buys goods or services or with which the Organization has significant business dealings\*.

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is "yes," list such gifts or loans as follows:

Name of Source	Item	Approximate Value
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4) Were you involved in any other activity during the past year that might be interpreted as a possible conflict of interest?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "yes," please describe:

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\* The term business dealings does not include the making of cash or in-kind contributions to the Organization.

I certify that the foregoing information is true and complete to the best of my knowledge.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

