

Conflict of Interest Policy

Organization: Red Mountain Community Social Club

Effective Date: April 7, 2026

Approved by: RMCSB Board

1. Purpose

The Purpose of this policy is to protect the interest of the Red Mountain Community Social Club by:

- Preventing the personal interest of the Officers, Directors, Members and Independent Contractors from interfering with their duties to the organization.
- Avoid any unethical financial, professional, or political gain on the part of such individuals.
- The intent of this policy is to supplement, not replace, any applicable federal, state or local laws regarding conflicts of interest.

2. Definitions

2.1 Interested Person

Applies to Board Members, Officers, and Committee Chairs who can influence the governance and actions of the Red Mountain Community Social Club. This includes anyone who makes financial decisions, might be referred to as “management personnel,” or have proprietary information regarding the Red Mountain Community Social Club.

2.2 Financial Interest

A person has a financial interest if they, or a family member, have:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.
2. A compensation arrangement with the Organization or with any entity the Organization is contracting with; or
3. A potential ownership, investment, or compensation interest in an entity or arrangement being considered by the Organization.

Financial interest is not necessarily a conflict of interest. A conflict exists only if the Board or appropriate committee determines that financial interest could improperly influence decision-making.

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2.3 Family Member

Includes spouse or domestic partner, parents, children, siblings, in-laws, and any household member whose interests could appear to influence the interested person.

3. Duty to Disclose

An interested person must disclose the existence of any actual or potential conflict of interest to the Board of Directors or to any committee considering a proposed transaction. The disclosure must include all relevant facts so the Board may make an informed determination.

4. Determining Whether a Conflict of Interest Exists

When a potential Conflict of Interest is disclosed, the Red Mountain Community Social Club Board will then provide the individual with an opportunity to disclose all material facts. The Board will collect all pertinent information and question the parties involved.

5. Procedures for Addressing a Conflict of Interest

- If a conflict does not exist, the inquiry will be discussed and documented but no further action will be taken.
- The President may appoint a disinterested person or committee to investigate alternatives to the proposed transaction.
- If the Red Mountain Community Social Club Board determines that a Conflict of Interest does exist, they will take the appropriate actions to address the conflict. This may include (but be not limited to) prohibiting any Interested Parties from voting on any matter related to said Conflict of Interest. Affected parties both within and outside of the Red Mountain Community Social Club, including Directors, Officers, Members, Committee Chairs, and Independent Contractors, will be notified. If the Conflict of Interest in question involves a member of the Board, that individual will be excused from deliberations and voting.

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6. Disciplinary Action

- Conflicts of Interest will be reviewed on a case-by-case basis. The Board has full discretion to deem what disciplinary action is appropriate and necessary for disclosed Conflicts of Interest.
- If the Red Mountain Community Social Club reasonably believes a Board Member or Committee Chair failed to disclose an existing or possible Conflict of Interest, it shall inform the individual of the rationale for such belief and grant an opportunity to explain the alleged failure to disclose the Conflict of Interest.
- After hearing the individual's response and investigating further as warranted by the circumstances, the Red Mountain Community Social Club Board may take appropriate disciplinary action, including removal from the position at the Red Mountain Community Social Club.

7. Records of Proceedings

Meeting minutes in which a conflict is discussed must include:

- The names of the interested people.
- The nature of the conflict.
- Any alternatives considered.
- The Board's or committee's decision and rationale.
- Any votes taken.

8. Annual Disclosure Statements

All directors, officers, and members of committees with Board-delegated powers must annually sign a statement affirming that they:

1. Have received and read this policy.
2. Understand and agree to comply.
3. Disclose any relationships, interests, or situations that could lead to a conflict.

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9. Acknowledgment

Each person subject to this policy must sign a conflict-of-interest acknowledgment form, to be kept with the Organization's records. The signee agrees to abide by the procedures set forth in this policy for the duration of their relationship with the Red Mountain Community Social Club.

10. Policy Review

Policies and procedures are reviewed and revised at the direction of the Board President as needed or to align with changes in the law or changes in organizational practices.