

The Cedar Key Historical Society

Conflict of Interest Policy

1. Purpose

The purpose of this policy is to help board members of *The Cedar Key Historical Society* to effectively identify, disclose and manage any actual, potential, or perceived conflicts of interest in order to protect the integrity of *The Cedar Key Historical Society*

2. Objective

The Cedar Key Historical Society board aims to ensure that board members are aware of their obligations to disclose any conflicts of interest that they may have and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of the *Cedar Key Historical Society*.

3. Scope

This policy applies to active, voting members of the Board of Directors, the Executive Director and all staff of *The Cedar Key Historical Society*.

4. Definition of Conflicts of Interest

Board members have a fiduciary duty called the Duty of Care, which requires them to place the best interests of the nonprofit ahead of their own interests. When a board member's personal interests conflict with their responsibility to act for the nonprofit, it creates a conflict of interest.

Board members should be aware that conflicts of interest may be actual, potential or perceived and that they may relate to financial or nonfinancial interests. Conflicts may also include related interests by family or friends, or duties that board members have with other nonprofits or organizations.

A situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest or a situation in which a party's responsibility to a second party limits its ability to discharge its responsibility to a third-party.

5. Policy

This policy has been developed because conflicts of interest commonly arise, and do not need

to present a problem to the charity if they are openly and effectively managed. It is the policy of *The Cedar Key Historical Society* as well as a responsibility of the board, that ethical, legal, financial, or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to *The Cedar Key Historical Society*.

The Cedar Key Historical Society will manage conflicts of interest by requiring board members to:

- *Avoid conflicts of interest where possible*
- *Identify and disclose any conflicts of interest (using relative disclosure form provided by a funder or attached to this policy)*
- *Follow this policy and respond to any breaches*

6. Responsibility of the Board

The board is responsible for establishing a system for identifying, disclosing and managing conflicts of interest across the charity, monitoring compliance with this policy to ensure that the policy is operating effectively.

7. Identification and Disclosure of Conflicts of Interest

Once an actual, potential or perceived conflict of interest is identified by Board Member disclosure or other means (such as being brought to the attention of the Board by a member of the public or a funder), the Board must review the disclosure and determine the action required (see Section 8 of this policy).

8. Action Required for Management of Conflicts of Interest

In deciding what approach to take, the Board will consider the following:

- Whether the conflict needs to be avoided or simply documented.
 - Whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making.
 - Alternative options to avoid conflict.
- *The Cedar Key Historical Society's* possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the organization.
 - The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting.

Upon disclosure or complaint of conflict of interest, the Board must:

- Vote on the matter. The conflicted member must recuse themselves from any vote.
- Participate in any discussion necessary to bring the conflict to a vote.
- In exceptional circumstances, such as where conflict is very significant, the board may consider whether it is appropriate for the person conflicted to resign from the board.

If a person suspects that a board member has failed to disclose a conflict of interest, they must discuss with the person in question and/or notify the board, or the person responsible for maintaining compliance with Board policy. If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances. If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with *The Cedar Key Historical Society*.

The Cedar Key Historical Society

CONFLICT OF INTEREST DISCLOSURE FORM

It is the policy of *The Cedar Key Historical Society* to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest. As such, the following form is provided for Board Members to disclose any relationships in which it could be perceived that they are benefitting personally from *The Cedar Key Historical Society* activities, programs, purchases, or missions.

Date:

Please describe the possible Conflict of Interest (i.e business by whom a Board member is employed or has a financial interest in will be selected as a vendor; business by whom a Board member’s family member is an owner or will be selected as a vendor, etc.) May use the back of this form.

Name

.....

Signature

..... Date

Brought before Board on _____ (date)

The decision of Board:

- No conflict
- Perceived or Identified Conflict Unavoidable, but noted and approved to proceed
