

**NATIONAL ASSOCIATION OF MINORITY CONTRACTORS WASHINGTON
CHAPTER (NAMC-WA)**

CONFLICT OF INTEREST POLICY

ARTICLE I. PURPOSE

NAMC-WA encourages the active involvement of its directors and officers in the community. To be transparent and deal fairly with actual and potential conflicts of interest that may arise as a consequence of community involvement, NAMC-WA adopts the following policy. The purpose of this conflict of interest policy is to protect the interests of NAMC-WA as it fulfills its charitable purposes, and when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of NAMC-WA or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II. POLICY

Directors and officers are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a director or officer and those of NAMC-WA. A conflict of interest exists when a director or officer's loyalties or actions are divided between the interests of NAMC-WA and the director or officer's interests. Both the fact and the appearance of a conflict of interest should be avoided.

ARTICLE III. DEFINITIONS

1. Affiliation

An affiliation includes any interests other than financial interests that may influence a director or officer's judgment. An objective test determines whether an affiliation exists between the director or officer and the other person, entity, or organization: whether the involvement or relationship of the director or officer with the other person, entity, or organization is such that it reduces the likelihood that the director or officer can act in NAMC-WA's best interests.

2. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, or organizational affiliation, as defined above, is an interested person.

3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which NAMC-WA has a transaction or arrangement,

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- b. A compensation arrangement with NAMC-WA or with any entity or individual with which NAMC-WA has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which NAMC-WA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

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 or organizational affiliation and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest or organizational affiliation and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- c. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- d. After exercising due diligence, the governing board or committee shall determine whether NAMC-WA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- e. The governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in

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NAMC-WA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- f. Time Limit – The transaction or arrangement with an interested individual or entity shall be performed for no more than twelve (12) consecutive months by any one individual or entity inclusive of board members or members of the NAMC-WA.
- g. Payment – Any individual or entity performing services shall be paid on an hourly basis, an amount to be set and approved by the NAMC-WA Board Directors. Additionally, such individuals or entities must sign an agreement with the NAMC-WA Board Directors outlining the specific scope of work and schedule to be performed and agreeing to provide reports of services performed inclusive of hours and tasks to receive payment for such services rendered.

4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflict of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE V. RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest or organizational affiliation in connection with an actual or possible conflict of interest, the nature of the financial interest or organizational affiliation, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. 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.

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ARTICLE VI. COMPENSATION

- a. Contracted compensation is payment to a voting member of the governing board for services provided for the organization through a governing board authorized and executed written contract.
- b. Reimbursement is payment to a voting member of the governing board for reasonable, non-incident expenses incurred while providing services on behalf of the organization authorized by the governing board through policy.
- c. A voting member of the governing board who receives contracted compensation or reimbursement, directly or indirectly, from NAMC-WA for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives contracted compensation or reimbursement, directly or indirectly, from NAMC-WA for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives contracted compensation or reimbursement, directly or indirectly, from NAMC-WA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VII. PERIODIC STATEMENTS

Each director and officer shall annually sign a statement that affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- d. Has agreed to comply with the policy, and
- d. Understands that NAMC-WA is a charitable organization and to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

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CONFLICT OF INTEREST POLICY CERTIFICATION

The undersigned hereby acknowledges that the undersigned:

- (a) Has received a copy of the conflict of interest policy,
- (b) Has read and understands the conflict of interest policy,
- (c) Has agreed to comply with the conflict of interest policy, and
- (d) Understands that for NAMC-WA to maintain its federal tax exemption as a charitable organization, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Please check one of the following boxes:

- I have no conflicts or potential conflicts to disclose.
- I have the following conflicts or potential conflicts to disclose (please describe any relevant organizational, professional, or business affiliations as well as financial interests):

Dated: _____

Print Name: _____

Title: _____