

## **Conflict of Interest Policy**

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It is in the best interest of LCBC to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is designed to help directors, officers, and employees of the LCBC identify situations that present potential conflicts of interest and to provide LCBC with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in LCBC's operations.

**1. Conflict of Interest Defined.** In this policy, a person with a conflict of interest is referred to as an "Interested Person" (as more fully defined below). For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:

- a. An Interested Person or Family Member of an Interested Person is a party to a contract, or involved in a transaction with LCBC for goods or services.
- b. An Interested Person or Family Member of an Interested Person has a material financial interest in a transaction between LCBC and an entity in which the Interested Person or Family Member of an Interested Person is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, or other legal representative.
- c. An Interested Person or Family Member of an Interested Person is engaged in some capacity or has a material financial interest in a business or enterprise that competes with LCBC.

In addition to the foregoing, in certain instance accepting gifts, entertainment or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Interested Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of LCBC.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of LCBC.

All of the foregoing circumstances should be disclosed to the board chair (if an officer or board member perceives that he or she may have a Conflict of Interest) or to the Executive Director (if a staff member perceives that he or she may have a Conflict of Interest) and a decision made as to what course of action the organization or individuals should take so that the best interests of the LCBC are not compromised by the personal interests of stakeholders in the LCBC.

### **2. Definitions.**

- a. A "Conflict of Interest" is any circumstance described in Section 1 above.
- b. An "Interested Person" is any person serving as an officer, employee or member of the Board of Directors of LCBC or a major donor to LCBC or anyone else who is in a position of

## Literacy Council of Buncombe County

### Conflict of Interest Policy

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- control over decisions made by LCBC who has a personal interest that may be in conflict with the interests of LCBC.
- c. A "Family Member" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an Interested Person.
  - d. A "Material Financial Interest" is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's or Family Member's judgment with respect to transactions to which LCBC is a party.
  - e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift to LCBC is not a Contract or Transaction.

### 3. Procedures.

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff have a conflict of interest, relevant facts should be disclosed by the board member or by the Interested Person him/herself if invited to the board meeting as a guest for purposes of disclosure.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.
- e. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of LCBC has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- f. Interested Persons who are not members of the Board of Directors of LCBC, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to their supervisor, or the Chair, or the Chair's designee,

## Literacy Council of Buncombe County Conflict of Interest Policy

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any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect LCBC's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or the Chair or the Chair's designee, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.

4. **Confidentiality.** Each director, officer, and employee shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of LCBC. Furthermore, directors, officers, and employees shall not disclose or use information relating to the business of LCBC for their personal profit or advantage or the personal profit or advantage of their Family Member(s).

### 5. **Review of policy.**

a. Each director, officer, and employee shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.

b. Annually each director, officer, and employee shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to LCBC. Any such information regarding the business interests of a director, officer, or employee, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated to all staff.

**Literacy Council of Buncombe County  
Conflict of Interest Policy**

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**Conflict of Interest Disclosure Form**

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Position (employee/ trustee): \_\_\_\_\_

I acknowledge and confirm that I have received and reviewed a copy of the LCBC Conflicts of Interest Policy attached to this Disclosure Form.

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a Conflict of Interest between LCBC and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no Conflict of Interest to report

\_\_\_\_\_ I have the following Conflict of Interest to report (please specify other nonprofit and for-profit boards you or a Family Member sit on, any for-profit businesses for which you or a Family Member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a Family Member own):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of LCBC attached hereto and to the extent necessary I will update this Disclosure Form if a Conflict of Interest shall arise.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_