

# The Delaplaine Arts Center, Inc.

## Conflict of Interest Policy and Disclosure Statement

Updated and Approved by the Board of Trustees – May 2021

### I. Purpose of Policy

This policy applies to Board members, staff and volunteers of The Delaplaine Arts Center (the Delaplaine). Persons covered under this policy are hereinafter referred to as “interested parties.”

### II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the organization. Even the appearance of a conflict of interest should be avoided. There are a variety of situations that raise conflict of interest concerns including, but not limited to:

**Financial Interests** – A conflict may exist where an interested party, or relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or a transaction entered into by the organization or concerns of the organization. Examples include situations where:

- The Delaplaine contracts to purchase or lease goods, services, or property from an interested party, or a relative, or business associate of an interested party.
- An interested party, or a relative, or business associate of an interested party, is provided with a gift, gratuity, or favor of a substantial nature, from a person or entity which does business, or seeks to do business, with the Delaplaine.
- An interested party, or a relative, or business associate of an interested party, is gratuitously provided use of the facilities, property, or services of the organization.

**Other Interests** – A conflict may also exist where an interested party, or a relative, or business associate of an interested party, obtains a non-financial benefit or advantage that he or she would not have obtained absent his/her relationship with the Delaplaine, or where his/her duty or responsibility owed to the Delaplaine conflicts with a duty or responsibility owed to some other organization. Examples include:

- Where an interested party seeks to obtain preferential treatment by the Delaplaine for himself, or relative, or business associate.
- Where an interested party seeks to make use of confidential information obtained from the Delaplaine for his/her own benefit or for the benefit of a relative, or business associate, or other organization.

- Where an interested party seeks to take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which he/she has reason to believe would be of interest to the organization.

### **III. Disclosure of Actual, Apparent or Potential Conflicts of Interest**

An interested party is under a continuing obligation to disclose any actual, apparent or potential conflict of interest as soon as it is known, or reasonably should be known.

An interested party shall complete a “Conflict of Interest Disclosure Statement” (attached) to fully and completely disclose the material facts about any actual, apparent or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with the Delaplaine, and shall be update annually thereafter. An additional disclosure statement shall be filed at such time as an actual, apparent or potential conflict arises.

For Board members, the disclosure statements shall be provided to the Board Chair, or in the case of the Chair’s disclosure statement shall be provided to the Secretary of the Board. Copies shall be provided to the CEO.

In the case of staff or volunteers, the disclosure statements shall be provided to the CEO. The CEO ‘s disclosure statement shall be provided to the Board Chair.

### **IV. Procedures for Review of Actual, Apparent or Potential Conflicts – Generally**

Whenever there is a reason to believe that an actual, apparent or potential conflict of interest exists between the Delaplaine and an interested party, except for staff and volunteers, the Board of Trustees shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedures described in Section V below, with respect to a specific proposed action or transaction.

Where the actual, apparent or potential conflict involves a volunteer or an employee of the Delaplaine other than the CEO, the CEO shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the Delaplaine. The CEO shall report to the Board Chair the results of any review and action taken. The Board Chair, in consultation with the Executive Committee, shall determine if any further Board review or action is required.

### **V. Procedures for Addressing Conflicts of Interest – Specific Transactions**

Where an actual, apparent or potential conflict exists between the interests of the Delaplaine and an interested party with respect to a specific proposed action or transaction, the Delaplaine shall refrain from the proposed action or transaction until such time as the disinterested members of the Board have approved the proposed action or transaction. The following procedures shall apply:

An interested party who has an actual, apparent or potential conflict of interest with respect to a proposed action or transaction of the corporation shall not participate in anyway in, or be present during, the deliberations and decision making of the organization with respect to such action or transaction. The interested party may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction.

The disinterested members of the Board of Trustees may approve the proposed action or transaction upon finding that it is in the best interests of the Delaplaine. The Board shall consider whether the terms of the proposed transaction are fair and reasonable to the organization and

whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.

Approval by the disinterested members of the Board of Trustees shall be by vote of a majority of Trustees in attendance at a meeting at where a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of Trustees in attendance.

The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

#### **VI. Violations of Conflict of Interest Policy**

If the Board of Trustees has reason to believe that an interested party has failed to disclose an actual, apparent or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the Board determines that the interested party has in fact failed to disclose an actual, apparent or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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### **Affirmation of Compliance and Disclosure Statement**

I have received and carefully read the Conflict of Interest Policy for Board members, staff, and volunteers of The Delaplaine Arts Center (the Delaplaine) and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that the Delaplaine is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Except as otherwise indicated in the Disclosure Statement and attachments, if any, below, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of the Delaplaine, nor does any relative or business associate have such an actual, apparent or potential conflict of interest.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the Board Chair or to the CEO, as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

Name (Please print): \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Disclosure Statement

Please complete the questionnaire below, indicating any actual, apparent or potential conflicts of interest. If you answer “yes” to any to the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests – A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization.

Please indicate, during the past 12 months:

Has the organization contracted to purchase or lease goods, services, or property from you, or from any of your relatives or business associates?	Yes
	No

*If yes, please describe:*

Has the organization purchased an ownership interest in or invested in a business entity owned by you, or owned by any of your relatives or business associates?	Yes
	No

*If yes, please describe:*

Has the organization offered employment to you, or to any of your relatives or business associates, other than a person, Who was already employed by the organization?	Yes
	No

*If yes, please describe:*

Have you, or have any of your relatives or business associates, been provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the organization?	Yes
	No

*If yes, please describe:*

Have you, or any of your relatives or business associates, been  
gratuitously provided use of the facilities, property, or services  
of the organization?

Yes

No

*If yes, please describe:*

Other Interests – A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to the organization conflicts with a duty or responsibility owed to some other organization.

Please indicate if at anytime during the past twelve months:

Did you obtain preferential treatment by the organization for  
yourself, or for any of your relatives or business associates?

Yes

No

*If yes, please describe:*

Did you make use of confidential information obtained from the  
Delaplaine for your own benefit, or for the benefit of a relative,  
business associated, or other organization?

Yes

No

*If yes, please describe:*

Did you take advantage of an opportunity, or enable a relative,  
business associate or other organization to take advantage of  
an opportunity, which you had reason to believe would be of  
interest to the organization?

Yes

No

*If yes, please describe:*

Name (Please print): \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date