

## Annual Project CENTRL Conflict of Interest Disclosure

The Board of Directors of the Project CENTRL: Center for Rural Leadership, Inc. (the "Corporation") wishes to avoid possible conflict of interest involving its directors, officers or members of committees or task force as defined by state and federal law, in accordance with the Corporation's Conflict of Interest Policy currently in effect. In addition, the Board wishes for all directors, officers, or members of committees or task forces continually be cognizant of their fiduciary duties to the Corporation arising out of their positions of confidence within the organization, in accordance with the Conflict of Interest in effect. Therefore, the Board requests that each director, officer, or member of committees or task force attest to the following statements:

I, \_\_\_\_\_ state the following:

1. I have read and understand the Corporation Conflict of Interest Policy.
2. I attach a list of all my affiliations with any person (including any officer or employee of the Corporation or engagement in business with the Corporation and/or related organizations units), corporation, or other entity with which I have reason to believe the Corporation does business (check one).

\_\_\_\_\_ I HAVE NO AFFILIATIONS WITH SUCH PERSONS OR ENTITIES.

\_\_\_\_\_ MY AFFILIATIONS ARE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. I shall amend this list as my affiliations or the Corporation duties change.
4. If I become aware that any member of my family (parents, brothers and sisters, children, spouse, and/or in-laws) is engaged or proposed to be engaged in business with the Corporation, I shall disclose my relationship with the person(s) concerned and the nature of this business to the Board Chair of the Corporation.
5. I understand that I am not to participate in any decision or vote on an issue in which I may have conflicts of interest because of affiliations listed herein.

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Project CENTRL Conflict of Interest Policy

This conflict of interest policy is designed to help any person serving as a member of the board of directors, officers, committees or task forces of the Project CENTRL: Center for Rural Leadership, Inc. (the "Corporation") identify situations that present potential conflicts of interest and to provide the Corporation with a procedure that will allow a transaction to be treated as valid and binding even if a member of the board of directors, officers, committees or task forces has or may have a conflict of interest with respect to the transaction. This policy supplements but does not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations All capitalized terms are defined in Part 2 of this policy.

1. Conflict of Interest Defined. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:
  - A. Outside Interests.
    - (i) A Contract or Transaction between the Corporation and a Responsible Person or Family Member.
    - (ii) A Contract or Transaction between the Corporation and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
  - B. Outside Activities.
    - (i) A Responsible Person competing with the Corporation in the rendering of services or in any other Contract or Transaction with a third party.
    - (ii) A Responsible Person's having a Material Financial Interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with the Corporation in the provision of services or in any other Contract or Transaction with a third party.
2. Definitions.
  - A. A "*Conflict of Interest*" is any circumstance described in Part 1 of this Policy.
  - B. A "*Responsible Person*" is any person serving a member of the board of directors, officers, committees or task forces.
  - C. A "*Family Member*" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
  - D. A "*Material Financial Interest*" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party.

- E. A "*Contract or Transaction*" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship with the Corporation. The making of a gift to the Corporation is not a Contract or Transaction.

3. Procedures.

- A. Prior to board, committee or task force action on a Contract or Transaction involving a Conflict of Interest, a director, officer, committee or task force 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.
- B. A director, officer, committee or task force 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 Board Chair all facts material to the Conflict of Interest. The Board 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, committee's or task force 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 may be counted in determining the presence of a quorum for purposes of the vote, but may not be counted when the Board of Directors, committee's or task force's takes action on the Transaction or Contract. 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.
- E. Responsible Persons who are not members of the Board of Directors of the Corporation, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board, committee or task force action, shall disclose to the Board Chair any Conflict of Interest that such Responsible 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 Responsible Person. The Responsible Person shall refrain from any action that may affect the Corporation's participation in such Contract or Transaction.  
  
In the event it is not clear whether a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Board Chair, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
- F. If a Board member believes that a Responsible Person has a conflict of interest that is not being acted upon, that Board member shall disclose the circumstances in writing to the Board Chair.

4. Confidentiality.

- A. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of the Corporation in accordance with the Corporation's Confidentiality Policy currently in effect.

5. Review of Policy.

- A. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- B. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could lead to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to the Corporation.
- C. This policy shall be reviewed annually by each member of the Board of Directors, committees or task forces. Any changes to the policy shall be communicated immediately to all Responsible Persons.