

THE CENTER FOR WOODEN BOATS

CONFLICT OF INTEREST POLICY

ARTICLE I. PURPOSE

The Center for Wooden Boats (CWB) encourages the active involvement of its Board Members 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, the CWB adopts the following policy. The purpose of this conflict of interest policy is to protect the interests of the CWB 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 the CWB 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

Board Members 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 their personal interests and those of the CWB. A conflict of interest exists when a Board Member's loyalties or actions are divided between the interests of the CWB and the Board Member'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 Board Member's judgment. An objective test determines whether an affiliation exists between the Board Member and the other person, entity, or organization: whether the involvement or relationship of the Board Member with the other person, entity, or organization is such that it reduces the likelihood that the Board Member can act in the CWB's best interests.

2. Interested Person

Any Board Member, 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:

- An ownership or investment interest in any entity with which the CWB has a transaction or arrangement,
- A compensation arrangement with the CWB or with any entity or individual with which the CWB has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the CWB 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 Board decides that a conflict of interest exists.

ARTICLE IV. PROCEDURES

1. Duty to Disclose

In connection with any actual or possible conflict of interest, or where there may be a perceived 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 Board 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 Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board 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 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.
- b. The Chair of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board shall determine whether the CWB 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.
- d. The Board shall determine by a majority vote of the disinterested Members whether the transaction or arrangement is in the CWB'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.

4. Violations of the Conflict of Interest Policy

- a. If the Board has reasonable cause to believe a Member has failed to disclose actual or possible conflict of interest, it shall inform the Board Member of the basis for such belief and afford the Board Member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Board Member's response and after making further investigation, as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- c. If a Board member believes they might have had a conflict in the past that they did not disclose, they should inform the Board, who shall determine any action that might be necessary and document the decision. A reporting member's efforts to cure the potential error or omission shall be considered by the Board when it determines possible action. Unless cause to the contrary is apparent, the reporting member's efforts to cure shall obligate the Board to view the circumstances in the light most favorable to the reporting member but shall not determine the outcome of the Board's decision.

ARTICLE V. RECORDS OF PROCEEDINGS

The minutes of the Board shall contain:

1. 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 Board's decision as to whether a conflict of interest in fact existed.
2. 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.

ARTICLE VI. COMPENSATION

1. A voting member of the Board who receives compensation, directly or indirectly, from the CWB for services is precluded from voting on matters pertaining to that member's compensation.
2. No voting member of the Board whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the CWB, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VII. PERIODIC STATEMENTS

Each Board Member shall periodically sign a statement that affirms such person:

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

THE CENTER FOR WOODEN BOATS
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 in order for the CWB 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: _____

Signed: _____

Print Name: _____

