

OPERATION BBQ RELIEF CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of Operation BBQ Relief (the “Organization”) when it is contemplating entering a transaction or arrangement that might benefit the private interest of OBR personnel, including officers, employees, or directors of the Organization, 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 conflicts of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. Interested Person

Any director, principal officer, employee, or member of a board committee with Board of Directors delegated powers, who has a direct or indirect Financial Interest, as defined below, is an “Interested Person”.

2. 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 the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization and/or with any entity or individual with which the Organization has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization 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 III, Section 2**, a person who has a Financial Interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an Interested Person must disclose to the Board of Directors, an officer or the corporation, or your immediate supervisor, the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement. In addition to the Annual Conflict of Interest Disclosure Statement, the duty to disclose any actual or possible conflict of interest is on-going and perpetual. When in doubt, disclose.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person: a) if a director, he/she will leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon, or b) if an officer or employee of the Organization, the matter shall be referred to the board of directors to determine whether any conflict exists by vote. Uninterested board or committee members, those without the potential conflict, 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 Board of Directors or committee meeting, but after the presentation, he/she will leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board of Directors or committee 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 of Directors or committee will determine whether the Organization 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. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee will determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board of Directors or committee will make its decision as to whether to enter the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Board of Directors or committee has reasonable cause to believe a director, officer, employee, or committee member has failed to disclose actual or possible conflicts of interest, it will inform he/she of the basis for such belief and afford he/she an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the his/her response and after making further investigation as warranted by the circumstances, the board or committee determines he/she has failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of any meeting of the Board of Directors and all committees with board delegated powers where an actual or possible conflict of interest is discussed will contain:

- a. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest
- b. The nature of the Financial Interest
- c. Any action taken to determine whether a conflict of interest was present
- d. The Board of Directors or committee's decision as to whether a conflict of interest in fact existed.
- e. The names of the persons who were present for discussions and votes relating to the transaction or arrangement
- f. The content of the discussion, including any alternatives to the proposed transaction or arrangement
- g. A record of any votes taken in connection with the proceedings.

Article V Compensation

- a. A voting director of the Board of Directors who receives compensation, or whose family member receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that director's or family member's compensation.
- b. A voting director of any committee whose jurisdiction includes compensation matters and who receives, or whose family member receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that director's or family member's compensation.
- c. No voting director of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI
Annual Statements**

Each director, principal officer, employee, and member of a Board Committee Board with delegated powers will annually fill out and sign an Annual Conflict of Interest Disclosure Statement which affirms such person:

- a. Requires disclosure of any potential or actual conflicts of interest;
- b. Has received a copy of the conflict of interest policy;
- c. Has read and understands the policy;
- d. Has agreed to comply with the policy; and
- e. understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which further its charitable mission.

**Article VII
Periodic Reviews**

To ensure the Organization operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic conflict of interest reviews will be conducted by the Board of Directors and/or the officers of the Organization. The periodic reviews will, at a minimum, include the following subjects:

- a. Independent board members shall ensure employee compensation arrangements and benefits are reasonable, based on comparable data, are arm's-length. Any determination of reasonableness by the independent board members must be properly documented.
- b. Whether partnerships, joint ventures, commercial co-ventures, cause marketing endeavors, sponsorships, and other arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

**Article VIII
Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use will not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

The foregoing Policy was adopted this ____ day of _____, 2019.

**OPERATION BBQ RELIEF
CONFLICT OF INTEREST ANNUAL DISCLOSURE STATEMENT**

Please initial in the space at the end of Item A or Item B, whichever is appropriate; complete the balance of the form; sign and date the statement; and return it to the Chairperson of the board of directors or the CEO.

A. I am not aware of any relationship or interest or situation involving my family or myself that might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and Operation BBQ Relief on the other.

Initials: _____

B. The following are relationships, interests, or situations involving me or a member of my family that I consider might result in or appear to be an actual, apparent, or potential conflict of interest between such family members or myself on one hand and Operation BBQ Relief on the other.

Initials: _____

Corporate (either nonprofit or for-profit) directorships, positions, ownership, and/or employment:

Memberships in the following organizations:

Contracts, business activities, and investments with or in the following organizations:

Other relationships and activities:

My primary business or occupation at this time:
