

**INTERNATIONAL CHAPTER P.E.O. SISTERHOOD**  
**CONFLICTS OF INTEREST POLICY**

**ARTICLE I**

**Purpose**

The purpose of the conflicts of interest policy is to protect the Sisterhood's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, trustee, or committee member of the Sisterhood. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. It is the objective of this policy to not only assist the Sisterhood in preventing any actual conflict of interest but to avoid even the appearance of conflict of interests in the manner in which Sisterhood is operated.

**ARTICLE II**

**Definitions**

1. Interested Person

Any officer, trustee, or member of a committee, who has a direct or indirect beneficial, financial, or fiduciary interest, as defined below, is an interested person. If a person is an interested person with respect to any entity with whom the Sisterhood has any business dealings, provides or receives any financial support, or has any financial relationship, he or she is an interested person with respect to all entities for which those relationships exist.

2. Beneficial, Financial, or Fiduciary Interest

A person has a beneficial, financial, or fiduciary interest if the person has, directly or indirectly, through business, investment, or family, or by reason of employment, appointment, or service in any other capacity:

- a. an ownership or investment interest in any entity with which the Sisterhood has a transaction or arrangement, except for such investments by a person or the Sisterhood, as may be held in publicly traded securities for which the party does not have a controlling or substantial interest, or
- b. a compensation arrangement with the Sisterhood or with any entity or individual with which the Sisterhood 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 Sisterhood is negotiating a transaction or arrangement, or
- d. serves as officer, director, or trustee of another entity, either profit or nonprofit, that provides or receives financial contributions from the Sisterhood.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

## **ARTICLE III**

### **Procedures**

#### **1. Duty to Disclose**

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her beneficial, financial, or fiduciary interest to the executive board and members of his or her board or committee. This applies to any proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of any potential conflict of interest, the interested person shall leave the board or committee meeting while the potential conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists, and shall promptly notify the executive board of International Chapter of the conflict and the resulting vote.

#### **3. Procedures for Addressing the Conflict of Interest**

- a. For matters relating to financial contributions to be made to or by the Sisterhood for any purpose, or to or by any entity, organization, or individual. An interested party shall refrain from advocating or lobbying on behalf of any entity, organization, or individual to which he or she has a direct or indirect beneficial, financial, or fiduciary interest. An interested person shall excuse him or herself from the board or committee meeting at which such matters are discussed and /or voted upon. An interested person may return to such board or committee meeting once no potential conflict of interest exists.

- b. For all other matters for which a potential conflict of interest may arise:
    - i. After exercising due diligence, the board or committee shall determine whether the Sisterhood can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
    - ii. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Sisterhood's best interest and for its own benefit and whether the transaction is fair and reasonable to the Sisterhood and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
    - iii. If the board or committee is unable to resolve the issue, the president of the executive board shall be notified, and if appropriate, the president shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
4. Violations of the Conflicts of Interest Policy
- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall notify the executive board for appropriate disciplinary and corrective action.

## **ARTICLE IV**

### **Records of Proceedings**

The minutes of the boards and committees shall contain—

- a. the names of the persons who disclosed or otherwise were found to have a beneficial, financial, or fiduciary interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.

- b. 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 therewith.

## **ARTICLE V**

### **Annual Statements**

Each officer and members of boards of trustees and committees, including the Cottey board of trustees as specified by the president, shall annually sign a statement which affirms that such person—

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands the policy, and
- c. has agreed to comply with the policy.

## **ARTICLE VI**

### **Periodic Reviews**

To ensure that the Sisterhood operates in a manner that does not permit the occurrence of actual conflicts of interest and also the appearance of impropriety, periodic reviews shall be conducted as to whether the Corporation's relationships and affiliations with other organizations are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes, and do not result in inurement or impermissible private benefit.

\_\_\_\_\_ **State/Province/District Chapter of the P.E.O. Sisterhood**

**CONFLICTS OF INTEREST POLICY**  
**Acknowledgement of Policy and Personal Disclosure**

As a volunteer or paid employee of the \_\_\_\_\_ s/p/d chapter of the P.E.O. Sisterhood, I serve in the following capacity:

- S/P/D Executive Board \_\_\_\_\_ (specify office)
- S/P/D Committee \_\_\_\_\_ (specify)
- Paid Employee \_\_\_\_\_ (specify title)

In the interest of fulfilling my fiduciary responsibilities to the S/P/D chapter, I will not intentionally derive any personal profit or gain, directly or indirectly, by reason of my position within the Sisterhood. I will avoid all situations in which my private interests may conflict with the interests of P.E.O. I agree to be mindful of and seek to avoid conduct that could reasonably be construed as a conflict of interest.

Furthermore, I agree to immediately disclose any conflicts of interest with any entity with which the S/P/D chapter has any business dealings or financial arrangements, including the facts and nature of such relationship according to the terms of the Conflicts of Interest Policy.

At this time, I am a board member, committee member, consultant to, employee or substantial owner of the following organizations:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I hereby certify that I have read and agree to abide by the terms of the P.E.O. Sisterhood Conflicts of Interest Policy. Any potential conflicts of interest are detailed above or are attached to this statement with adequate information.

Date \_\_\_\_\_

Signature \_\_\_\_\_