

Conflict of Interests Policy

Purpose:

The purpose of this policy is to protect Montana Watershed Coordination Council, Inc (hereafter referred to as MWCC) and its interests when it is contemplating entering into a transaction or arrangement that might benefit the personal or financial interests of a member of the MWCC Board of Directors (Director), thus creating a potential conflict of interest. MWCC recognizes that as a primarily volunteer organization, it might be possible to obtain the services of a person on a contract basis who also volunteers in some capacity with the organization or one of its member organizations. It is the intent of this policy to provide guidance to the Board of Directors in matters of conflict of interest and to protect the integrity of the decision making process and to protect the integrity and reputations of volunteers, member organizations, staff and Board members. Directors and Staff have a duty of loyalty to MWCC and as such shall avoid acts of self-dealing which may adversely affect the tax-exempt status of MWCC or cause any sanction or penalty by a governmental authority.

Definitions:

Interested person – Any Director with governing board delegated (voting) powers, which has a direct or indirect financial interest, as defined below, is an interested person.

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 MWCC has a transaction or arrangement,
- A compensation* arrangement with MWCC or with any entity or individual with which MWCC has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation* arrangement with, any entity or individual with which MWCC is negotiating a transaction or arrangement. *Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial.
- A person who has a financial interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists, in accordance with this policy. *A financial interest is not necessarily a conflict of interest.*

Procedures:

Duty to Disclose -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors or Executive Committee.

Determining Whether a Conflict of Interest Exists – When a Director discloses the potential conflict of interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The Board or Executive Committee members shall decide if a conflict of interest exists and how to proceed.

Recusal of Self – Any Director may recuse himself or herself at any time from involvement in any decision or discussion in which the Director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

Addressing a Conflict of Interest:

- An interested person may make a presentation at the Board or Executive Committee 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.
- The Chairperson of the Board or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the Board or Executive Committee shall determine whether MWCC 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.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MWCC'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.

Violations of the Conflict of Interest Policy:

- If the Board or Executive Committee has reasonable cause to believe 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.
- If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Confidentiality:

As a member of the Board of Directors, it may be possible to access information that is considered to be confidential and/or proprietary. Such information relates to submitted proposals, member or donor history, and decisions made with regard to the business of MWCC. Such information is to be protected and will not be disclosed, published or used in any way subsequent to participation on the Board of Directors or as a staff member.



Annual Disclosure Statements:

Each Director shall disclose to the organization any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter. Any member of the MWCC Board, who is also an officer, board member, a committee member or staff member of a client organization or vendor of MWCC shall identify his or her affiliation with such organizations; further, in connection with any committee or board action specifically directed to that organization, she/he shall not participate in the decision affecting that organization. All members of the Board of Directors shall read, fully disclose and sign the Conflict of Interest Disclosure statement annually.