

Dragon Boat Charleston

Conflict of Interest Policy

The Board of Directors of Dragon Boat Charleston (“DBC”) seeks to avoid any possible conflict between the personal interests of its Board of Directors and staff and the interests of DBC.

1. **PURPOSE:** The purpose of this policy is to ensure decisions about DBC’s operations and the use or disposition of its assets are made in the best interests of DBC and are not influenced by the financial or personal interests of individual directors, officers, volunteers, or employees. DBC’s Board of Directors, officers, and employees are responsible for administering DBC’s affairs honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of DBC. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with DBC or knowledge gained therefrom for their personal benefit. The interests of DBC must have first priority in all decisions and actions. The general rule is that DBC directors, employees, and persons concerned are obligated to avoid and disclose any ethical, legal, financial, or other conflicts of interest, and remove themselves from a position of decision-making authority with respect to any conflict situation of which they are aware.

2. **PERSONS CONCERNED:** This policy covers not only members of the Board of Directors and Officers but also all DBC employees and volunteers who can influence the actions of DBC (“Key Individuals”). For example, the Executive Director and all who make purchasing decisions or who have proprietary information concerning DBC are Key Individuals. This shall include member committee chairs.

3. **AREAS IN WHICH CONFLICT MAY ARISE:** Conflicts of interest may arise in the relations of Directors, Officers and Key Individuals with any of the following third parties:

- a) Persons and firms supplying goods and services to DBC.
- b) Persons and firms from whom DBC leases property and equipment.
- c) Persons and firms with whom DBC deals or plans to deal in connection with the gift, purchase or sale of real estate, securities or other property.
- d) Competing organizations or paddling teams.
- e) Another organization that is in direct competition with DBC for a grant, contract, or funding.
- f) Donors and others who support DBC.
- g) Agencies, organizations, and associations that affect the operations of DBC.

h) Family members, friends, and other employees.

4. NATURE OF CONFLICTING INTEREST: A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned above. Such an interest might arise through:

- a) Owning stock or holding debt or other proprietary interests in any third party dealing with DBC.
- b) Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with DBC.
- c) Receiving payment for services with respect to individual transactions involving DBC.
- d) Using DBC's time, personnel, equipment, supplies, or goodwill for other than DBC's approved activities, programs, and purposes.
- e) Receiving personal gifts or loans from third parties dealing with DBC.
- f) Receipt of any gift is disapproved except gifts of nominal value which could not be refused without discourtesy. No personal gift of money should ever be accepted.

5. INTERPRETATION OF THIS POLICY: The areas of conflicting interest and the relations in those areas which may give rise to conflict, as listed in Sections 3 & 4, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Directors, Officers, and organization employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of DBC.

However, it is the policy of the Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated and must be approved by the Board. It shall be the continuing responsibility of Directors, Officers, and Key Individuals to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

6. DISCLOSURE POLICY AND PROCEDURE: Any Director, Officer, or Key Individual shall disclose the existence of a potential conflict as soon as it is identified and before a transaction is consummated. Transactions with related parties may be undertaken only if all the following are observed:

- a. A material transaction is fully disclosed to the Board of Directors in a duly-called meeting;
- b. The related party is excluded from the discussion and approval of such transaction; and
- c. The Board of Directors has acted upon and demonstrated that the transaction is in the best interest of DBC.

Staff should disclose a potential conflict to the Chair of the Board of Directors or Executive Director (or if he or she is the one with the conflict, then to the Chair), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the Board of Directors.

Disclosures involving Directors should be made to the Chair, who shall bring these matters, if material, to the Board. The Board of Directors may seek information from the person with the conflict, but that person may not be involved in the discussion or deliberation about the matter. The Board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to DBC. The Board may also determine how to handle any non-financial conflict of interest relating to a relationship with a competing organization. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of DBC and the advancement of its purpose.

MINUTES: Minutes of any meeting at which an actual or possible conflict of interest is addressed shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial or any other 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 decision as to whether a conflict of interest in fact existed; and
- 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.

7. VIOLATIONS: The Board of Directors has full discretion to determine what, if any, disciplinary action is appropriate for violations of this Conflict of Interest Policy.

- If it is deemed there is no conflict of interest, the inquiry will be documented, and no further action will be taken on that specific matter.
- If it is determined that a conflict of interest exists, appropriate action will be taken to address the conflict. The action may be a simple recusal of self from involvement in any discussion or vote in which the person may have a conflict of interest, or may involve corrective or disciplinary action in egregious cases. The existence and resolution of the conflict of interest will be documented.
- Documents shall be retained for not less than seven years per DBC’s Record Retention Policy.

8. ANNUAL STATEMENTS: Each Director, Officer, Key Individual, and member of a committee with Board-delegated powers shall annually: 1) Sign a statement affirming receipt of and adherence to the Conflict of Interest Policy; and 2) complete and sign a Conflict of Interest questionnaire. All signed statements and Conflict of Interest questionnaires shall be submitted to the Secretary of the Board of Directors and filed with the minutes of the first meeting of the Board of Directors each year. Conflict of Interest questionnaires should be updated as conflicts arise. Failure to sign the policy does not nullify the policy.

I have read the above Conflict of Interest Policy and understand I must comply with it and disclose all potential conflicts of interest of which I am aware:

Agreed this _____ day of _____, 20_____

Signature

Printed Name