



TWIN CITY BLACK HISTORY ASSOCIATION (TCBHA)

Conflict of Interest Policy

Definition: A conflict of interest occurs where individuals' obligation to further the organization's charitable purposes is at odds with their own financial interests. For example, a conflict of interest would occur where an officer, director or committee member votes on a contract between the organization and a business that is owned by the officer, director or trustee.

This conflict of interest policy is intended to help ensure that when actual or potential conflicts of interest arise, the organization has a process in place under which the affected individual will advise the governing body about all the relevant facts concerning the situation. Additionally, this conflict of interest policy is also intended to establish procedures under which individuals who have a conflict of interest will be excused from voting on such matters.

Policy: Under Article 8 of the Twin City Black History Association Bylaws Conflicts of Interests, Board of Directors, and committee members are annually required to sign a statement acknowledging the Conflict of Interest Policy outlined therein. The Conflict of Interest Policy emphasizes the importance of full disclosure of all material facts concerning financial interests and prohibits an interested person's participation in deliberations and voting.

Twin City Black History Association relies upon the integrity of each board member and all other committee members serving in any capacity to expect adherence to the obligations set forth in the policy statement. Failure to conform one's conduct to the conditions set forth in the policy may result in removal from his/her respective governing board or membership. Such other actions as may be determined by the Twin City Black History Association, Board of Directors.

The policy statement has been accepted by the majority present and will become a part TCBHA Bylaws and is restated here for your review and acknowledgement.



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ARTICLE 8

CONFLICTS OF INTEREST

Section 1.11 Purpose.

The purpose of the conflict of interest policy is to protect the Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or committee member of the Organization. This policy is intended to supplement, but not replace any applicable state laws governing conflicts of interest applicable to non-profit and charitable corporations.

Section 1.2 Definitions.

Interested Person.

Any, Officer, or member of the Committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in the volunteerism area of which the Organization is a part, he or she is an interested person.

(b) Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment or family received:

- (a) a compensation arrangement with any entity or individual with which the Organization has a transaction or arrangement.
- (b) any funds or gifts collected in the name of TCBHA without prior authorization from the President and/or Board.
- (c) any funds or gifts received in the name of TCBHA, but has not been submitted to the Treasurer and /or reported to the President and/or Board.
- (d) a potential 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 substantial in nature.



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Section 1.3 Procedures

(a) 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 financial interest to the Directors and members of any committee with Board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest, the interested person shall leave the Board or committee meeting while the financial interest is discussed and voted upon. The remaining Board or committee shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

- (i) The Chairperson of the Board or committee shall, if appropriate, appoint a sub-committee to investigate alternatives to the proposed transaction or arrangement.
- (ii) After exercising due diligence, the Board or committee shall determine whether the Organization 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.
- (iii) 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 Board or Committee members whether the transaction or arrangement is in the Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.



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(d) Violations of the Conflicts of Interest Policy.

(i) If the Board or committee has reasonable cause to believe that a member thereof has failed to disclose actual or possible conflicts of interest, it shall inform such member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) 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 take appropriate disciplinary and corrective action .

Section 1.4 Records of Proceedings.

The minutes of the Board and all Committees with Board delegated powers shall contain the following:

- (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, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board or committee members decision as to whether a conflict of interest in fact existed; and
- (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.

Section 1.5 Compensation Committees.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that members' compensation.

Section 1.6 Annual Statements.

Each Board Officer and committee member of a committee with Board delegated powers shall annually sign a statement which affirms that such person:



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- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Organization is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 1.7 Periodic Reviews.

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, including the following subjects:

Section 1.8 Use of Outside Experts.

In conducting the periodic reviews provided for Section 1.7 the Organization may, but is not required to, use outside advisors. If outside experts are used their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

This statement acknowledges that you have read, understand, and accept the terms of the policy statement is necessary to comply with the provisions of the TWIN CITY BLACK HISTORY ASSOCIATION Bylaws and meet IRS requirements.

I hereby acknowledge the Twin City Black History Association Conflict of Interest Policy and agree to fully disclose, to abstain from voting on, and/ or abstain from using personal influence on any matter, in which I have or may have a duality of interest or possible conflict of interest. I further agree to report to Twin City Black History Association any situation that might be considered a duality of interest or possible conflict of interest, which may occur prior to the completion of my next statement of disclosure of certain interests.

Name/Position Held: _____

Signature: _____

Date: _____