

Bear River Land Conservancy

Conflict of Interest Policy

Article I

Purpose

Bear River Land Conservancy (BRLC) effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the community it serves and all parties with whom it works. For this reason, it is crucial that BRLC have responsible, well conceived conflict of interest policies and procedures to avoid real or perceived Conflicts of Interest.

All persons associated with BRLC are reminded that the decisions and activities of the board of directors and staff, whether or not addressed in this policy, are governed by an overriding requirement of honesty, good faith and fiduciary responsibility for the organization and to the community it serves.

This policy is intended to supplement but not replace any applicable state or federal laws governing Conflicts of Interest applicable to charitable trusts.

Article II

Definitions

Conflict of Interest. A Conflict of Interest exists where a Covered Person (as defined below) has a material Financial Interest (as defined below) in a transaction or project under consideration by a board or committee of BRLC, or when that person proposes to act on any issue, matter or transaction in which BRLC has an interest, and in which the Covered Person may have an interest separate from that of BRLC.

A Conflict of Interest may also exist in situations in which there is an appearance that a Covered Person is utilizing, for his or her own benefit, inside information that is proprietary to BRLC, is acting in his or her own interest rather than the best interest of BRLC, has the ability to exercise undue influence over BRLC decisions, or is receiving favorable treatment by BRLC because of his or her status as a Covered Person.

Self dealing is one form of a conflict of interest. Self dealing may occur when there is a direct financial transaction between a disqualified person and the land trust. Examples of self dealing include:

- A land trust board or staff member (or his or her friends or family) who sells land or a conservation easement to the land trust, including “side deals.”
- A board member who holds an interest in a business that could benefit from the land trust’s work (e.g., president of a realty company that might handle resale of a land trust’s restricted lands).
- A board member who renders professional services needed by the trust – e.g., legal, land planning, appraisal, or financial services – and who is compensated for doing so.
- The land trust provides a house to the executive director rent-free.
- The land trust rents its office space from a board member at above fair market value.

Opposing Loyalties. A board member must give undivided allegiance when making decisions affecting the organization. A board member is subject to opposing loyalties when he or she makes decisions for personal gain.

Example of Opposing Loyalties:

- A realtor on a land trust board uses the information that a potential conservation easement may be placed on land next to a property on the market to encourage potential buyers and thereby increase his/her business.

Covered persons. Any director, officer, or member of a committee with board of directors delegated powers, who has a direct or indirect financial interest, as defined below is a covered 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 to organization has a transaction or arrangement.
- A compensation arrangement with the BRLC or with any entity or individual with which the BRLC has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the BRLC is negotiating a transaction or arrangement.

Compensation. Compensation includes direct or 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 3, 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

Section 1. General Guidelines. All Covered Persons shall avoid Conflicts of Interest involving their duties to BRLC and any other interest or organization to which they have a duty, or any activity in which they are financially or otherwise interested. It is expected that all Covered Persons will conduct themselves under strict rules of honesty and fair dealing between themselves and BRLC. Such persons shall not use their position or knowledge gained during their association with BRLC for their private benefit (or the benefit of their family) nor to obtain an unfair advantage over any aspect of their dealings with BRLC.

Section 2. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose in writing 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.

Section 3. Determining Whether a Conflict of Interest Exists. After disclosure of the actual or potential Conflict of Interest, and after any discussion with the disclosing person, the person with the actual or potential Conflict of Interest shall leave the board or committee meeting while the determination of a Conflict of Interest is discussed and voted on by the remaining board or committee members.

Section 4. Procedures for Addressing the Conflict of Interest. When a transaction or arrangement of BRLC involves an actual, potential or perceived Conflict of Interest with a Covered Person, the board or committee shall act as follows:

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.

After exercising due diligence, the board of directors or committee shall determine whether the land trust 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 of directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the land trust'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.

Section 5. Violations of the Conflict of Interest Policy. If the board or committee (or other person responsible for administering the policy, such as the chief executive with respect to staff conflicts) has reasonable cause to believe that a Covered Person has failed to disclose actual or potential conflicts of interest, it shall inform the Covered Person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Covered Person and making such further investigation as may be warranted under the circumstances, the board or committee determines that the Covered Person has in fact failed to disclose an actual or potential Conflict of Interest, it shall take appropriate disciplinary and corrective action.

Section 6. Compensation.

A voting member of the board who receives compensation, directly or indirectly, from the BRLC for services is precluded from voting on matters pertaining to that member's compensation.

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

No voting member of the board of directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the BRLC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article IV

Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain the following:

- 1) 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 of directors' or committee's decision as to whether a conflict of interest in

fact existed.

- 2) 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.

Article V

Periodic Reviews

To ensure BRLC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- 1) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- 2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the land trust'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.

This policy is to be reviewed annually, and revised if necessary.

Article VI

Annual Statement

Each director, principal officer, and member of a committee with board of directors delegated powers shall annually sign a statement which affirms such person:

- 1) Has received a copy of the conflicts of interest policy;
- 2) Has read and understands the policy;
- 3) Has agreed to comply with the policy; and
- 4) Understands the BRLC is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

New members and Covered Persons will review the Conflict of Interest policy and sign a similar statement upon acceptance of a position with BRLC.

The annual Conflict of Interest Statement shall be similar to the following:

Annual Conflict of Interest Statement

As a director, officer, staff member, substantial contributor, or other individual associated with the Bear River Land Conservancy (BRLC) with an ability to influence BRLC's decisions, I hereby acknowledge that I have received a copy of BRLC's Conflict of Interest Policy; I have read and understand the policy; I agree to comply with the policy; and I understand that BRLC is a charitable organization and that in order to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax-exempt purposes.

Printed Name: _____

Signature: _____

Date: _____

This initial Conflict of Interest Policy was adopted unanimously by all of the founding directors of the Bear River Land Trust and they each agree to be bound by its terms:

W. Bryan Dixon 15 March 2011
W. Bryan Dixon, Director Date

Nathan D. Hult 3/15/11
Nathan D. Hult, Director Date

Wendell R. Morse 3/15/11
Wendell R. Morse, Director Date

David L. Rayfield 3/15/11
David L. Rayfield, Director Date

Laraine S. Swenson 3/15/2011
Laraine S. Swenson, Director Date