

ecomaine

Policy on Conflicts of Interest and Disclosure

This conflict of interest policy is designed to help Directors of **ecomaine** identify situations that present potential conflicts of interest and to provide **ecomaine** with a procedure that will allow a transaction to be treated as valid and binding even though a Director has or may have a conflict of interest. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, including without limitation 30-A M.R.S.A. Section 2605 and 13-B M.R.S.A. Section 718, the law shall control.

1. Conflict of Interest Defined. The following circumstances shall create Conflicts of Interest:
 - A. Business or Employment Relationship. An agreement or business relationship between **ecomaine** and a Director or family member of a Director, including employment of a Director or family member by **ecomaine**. Family member includes: spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister.
 - B. Other Pecuniary Interest. An agreement or business relationship between **ecomaine** and a private entity in which a Director or family member has an ownership interest or has such other financial interest of any kind, including all forms of compensation, that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Director's judgment with respect to transactions to which the entity is a party.
 - C. Competitor. A Director competing with **ecomaine** in the rendering of services, or serving as an agent, employee or other legal representative of an entity that competes with **ecomaine**.
 - D. Gifts. No Board member of **ecomaine** shall accept or receive from any person, firm or corporation doing, or attempting to do, business with **ecomaine** any free property, product, material or service; or accept from any person, firm or corporation doing, or attempting to do, business with **ecomaine** any property, product, material or service at terms more favorable than those granted to the general public. This prohibition does not include promotional/advertisement items such as mugs, hats, shirts, etc., that are marked with a company logo or holiday food baskets that are shared amongst the employees and/or Board members. Gifts given by **ecomaine**, in recognition of service to **ecomaine**, are not prohibited.
2. Procedures. A transaction which involves a Conflict of Interest shall not be void or voidable solely for the reason of such conflict if there has been compliance with the following procedures.
 - A. A person who has a Conflict of Interest shall not attempt to exert his or her personal influence with respect to consideration of the matter by the Board of Directors or a Committee of **ecomaine**, either at or outside of meetings of such bodies, including decisions by staff on hiring and procurement.
 - B. Before Board or Committee action on any matter involving a Conflict of Interest, a Director having a conflict shall disclose all facts material to the conflict and shall not participate in,

be permitted to hear or attempt to influence the Board's or Committee's discussion of the matter except to disclose material facts and to respond to questions. In addition, such person may not vote on the matter and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot.

Such person's disclosure and his or her abstention from discussion and voting on the matter shall be reflected in the minutes of the meeting.

C. In the event it is not entirely clear that a Conflict of Interest exists, the individual shall attempt to avoid the appearance of a conflict by disclosure and by abstention.

3. Review of Policy.

A. Each Director shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.

B. Each Director shall complete a Disclosure Statement identifying any relationships, positions, or circumstances in which the Director is involved that he or she believes could contribute to a Conflict of Interest arising. Each written statement shall be maintained by **ecomaine**, and each Director shall update the statement whenever necessary to reflect any change of information.

STATEMENT OF INDIVIDUAL BOARD MEMBER RESPONSIBILITIES¹

Just as boards of directors have basic collective responsibilities, **individual board members are also entrusted with responsibilities** as a part of board membership. The obligations of board service are considerable – they extend well beyond the basic expectations of attending meetings.

Prospective and incumbent board members should commit themselves to the following responsibilities.

General Expectations

- Report important information back to the Community that you represent.
- Become engaged and get involved with Committees.
- Know the organization's mission, purpose, goals, policies, programs, services, strengths, and needs.
- Perform duties of board membership responsibly.
- Make significant contributions to the work of the board and the organization's progress.
- Serve in leadership positions and undertake special assignments willingly and enthusiastically.
- Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures through their supervisors. (All matters of potential significance should be called to the attention of the executive and the board's elected leader as appropriate.)
- Follow trends in the organization's field of interest.

- Bring good will and a sense of humor to the board's deliberations.
- Disagreements among board members, and between board members and the General Manager and other staff, when discussed in public, should be addressed professionally, focused on the issues, and not personalized.

Meetings

- Prepare for and participate in board and committee meetings, including appropriate organizational activities.
- Ask timely and substantive questions at board and committee meetings consistent with your conscience and convictions, while supporting the majority decision on issues decided by the board.
- Maintain confidentiality of the board's executive sessions, and speak for the board or organization only when authorized to do so.
- Suggest agenda items periodically for board and committee meetings to ensure that significant, policy-related matters are addressed.

Relationship with Staff

- Responsibility of Board members is not to operate **ecomaine**, but to see that it is well operated. Board action is limited to policy making, planning and appraisal, leaving the administration of **ecomaine** to the General Manager or Chief Executive.
- Counsel the chief executive as appropriate and support him or her through often difficult relationships with groups or individuals.
- Avoid asking for special favors of the staff, including special requests for extensive information, without at least prior consultation with the chief executive, board, or appropriate committee chairperson. Also, avoid influencing hiring decisions, except the hiring of the Chief Executive.

Avoiding Conflicts

- Avoid even the appearance of a conflict of interest that might embarrass the board or the organization, and disclose any possible conflicts to the board in a timely fashion.
- Maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate, even though not necessarily obliged to do so by law, regulation, or custom.
- Never accept (or offer) favors or gifts from (or to) anyone who does business with the organization.

Fiduciary Responsibilities

- Exercise prudence with the board in the control and transfer of funds.
- Faithfully read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility.

¹Ingram, Richard T., (2003). *Ten Basic Responsibilities of Nonprofit Boards*. BoardSource Governance Series. Washington, D.C.

DISCLOSURE STATEMENT

As a member of the Board of Directors of **ecomaine**, I affirm that:

I have received and have reviewed the **ecomaine** Policy on Conflicts of Interest and Disclosure, and I understand that it is my responsibility to comply with the policy and any revisions made to it.

My business affiliations, including employment and memberships on any boards of directors of for-profit and nonprofit organizations, are as follows:

1. _____
2. _____
3. _____
4. _____

To the best of my knowledge, neither I nor any member of my family has sought, is seeking or currently has a financial or business relationship with **ecomaine**, except as noted below:

1. _____
2. _____
3. _____
4. _____

I agree to update this form as appropriate.

(Signature)

(Printed Name)

Date: _____