

Decorative Arts Society
Conflict of Interest Policy

Article I
Purposes

The purpose of the conflict of interest policy is to protect the interest of this tax-exempt organization, Decorative Arts Society, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Board member of the Organization or might result in a possible excess benefit transaction. This policy is not meant to supplement any applicable state and federal laws.

Article II
Definition

2.1 A conflict of interest arises when a Board member may benefit personally from a decision he or she could make. A conflict of interest policy consists of a set of procedures to follow to avoid the possibility that those in positions of authority over an organization may receive an inappropriate benefit.

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

- a) An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict. Under Article III a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

Article III
Procedures

3.1 Duty to Disclose

In connection with any actual or possible conflict of interest, an interest person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board considering the proposed transaction or arrangement.

3.2 Determining Whether a Conflict of Interest Exists

After disclosure of facts and any discussion, interested party shall leave the meeting while the Board makes a determination on whether a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest

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

3.4 Violations of the Conflicts of Interest Policy

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

Article IV

Records of Proceedings

- a) The minutes of the Board and committees shall contain the names of the persons who disclosed or others-wise 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 in discovery and the decision of conflict existence.
- b) The minutes shall contain the names of the persons who were present for discussions and votes relating to the transaction or arrangement, content of discussion, including transaction alternatives, and a record of any votes taken in connection with the proceedings.

Article V

Annual Statements

Each member of the Board with delegated powers shall annually sign a statement which affirms such person:

- 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

e) Understands that the Organization is charitable 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.

Article VI

Periodic Reviews

To ensure the Organization 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, determine whether partnerships, joint ventures, and arrangements with management corporations conform to the corporation'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.

Article VII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Certificate of Adoption of Conflict of Interest Policy

I do hereby certify that the above stated Conflict of Interest Policy and Agreement for Decorative Arts Society was approved and adopted by the Board on _____ and constitutes a complete copy of the Conflict of Interest Policy of the Organization.

Secretary:

Date: