

**THE ELIZABETH RIVER TRAIL FOUNDATION  
CONFLICT OF INTEREST POLICY FOR DIRECTORS**

**SCOPE**

This Policy applies to all members of the Board of Directors of the Foundation (the “Board”).

**PURPOSE**

The purpose of this Policy is to (1) protect the interests of the Foundation, a tax-exempt organization, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director and (2) protect the integrity of the Foundation from the influence of actual or potential Conflicts of Interests by providing a procedure for disclosure, review, and consideration of such situations. This Policy shall supplement, but not replace, any state and federal laws governing conflicts of interest applicable to not-for-profit, educational, and charitable organizations.

**PROCEDURES FOR THE DISCLOSURE, REVIEW  
AND RESOLUTION OF CONFLICTS OF INTEREST**

**I. Definitions.** For purposes of this Policy:

- (1) “Conflict of Interest” is an actual divergence or potential inconsistency between an individual’s personal or private interests and the interests of the Foundation. This includes, but is not limited to, any transaction or arrangement between the Foundation and the Director or an Immediate Family Member that results in the Director or the Immediate Family Member receiving financial benefit, directly or indirectly;
- (2) “Director” is any member of the Board.
- (3) “Interested Director” is any Director who has an actual or potential Conflict of Interest in any transaction or other arrangement involving the Foundation.
- (4) “Immediate Family Member” means parent, sibling, spouse, child, or dependent, or any relative sharing the same residence as the Director.

**II. Disclosure By an Interested Director and Conduct of the Board Upon Disclosure**

- (1) An Interested Director shall disclose, as soon as is reasonable and practicable, actual or potential Conflicts of Interest to the Board.
- (2) Upon disclosure of the actual or potential Conflict of Interest:

- (a) The Interested Director shall not participate in any Board deliberations regarding the transaction giving rise to the actual or potential Conflict of Interest except to provide additional information to the Board prior to the Board voting thereon.
- (b) The Interested Director may acknowledge the Conflict of Interest or, if necessary, the Board may determine—by a majority vote of the disinterested Directors—whether a Conflict of Interest exists.
- (c) If a Conflict of Interest is found to exist by acknowledgment of the Interested Director or by vote of the Board, the Interested Director shall be recused from voting on the conflicted matter.
- (d) Following its review of the proposed transaction, the Board may authorize the proposed transaction if a majority of disinterested members of the Board determines that the proposed transaction is fair, reasonable, and in the best interests of the Foundation.
- (e) The minutes of the meeting shall reflect the disclosure of the Conflict of Interest and the fact that the Interested Director did not vote on the conflicted matter. If the Board authorizes a transaction, the Board resolution shall include a determination that the proposed transaction is fair, reasonable, and in the best interests of the Foundation.

### **III. Conflict of Interest Disclosure Statement**

All Directors are required to sign and submit an Annual Conflict of Interest Disclosure Statement. New Directors must complete and sign this form prior to joining the Board. For continuing Directors, forms are distributed annually by the Foundation. Directors have an ongoing duty to disclose Conflicts of Interest as they arise.

### **IV. Monitoring Compliance with this Policy**

The Board shall be responsible for setting up and maintaining procedures designed to monitor compliance with this Policy. The Board shall regularly review this Policy and make any necessary changes or amendments.

Policy approved by the Board of Directors on the \_\_\_\_ day of August, 2019.

**CONFLICT OF INTEREST POLICY ACKNOWLEDGMENT**

Please read the following statements and sign below to indicate your receipt and acknowledgment of this Conflict of Interest Policy.

I have received and read a copy of The Elizabeth River Trail Foundation's Conflict of Interest Policy. I understand that the policies described herein are subject to change at the sole discretion of the Foundation at any time.

I understand that my signature below indicates that I have read and understand the above statements.

Printed Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

The signed original copy of this acknowledgment should be given to management. It will be kept in your personnel file.