



## **NORTH HELPLINE CONFLICT OF INTEREST POLICY**

### **ADOPTED BY THE BOARD OF DIRECTORS ON MARCH 9<sup>TH</sup> 2010**

#### **1. Purpose**

The purpose of the Conflict of Interest policy is to ensure that the deliberations and decisions of North Helpline (“the Organization”) are made in the interest of the Organization as a whole and to protect the interests of the Organization when it is contemplating entering into a transaction, contract, or arrangement, including an employment arrangement, that might benefit the private interest of an Interested Director, Officer or Person, as defined below. An Interested Director, Officer or Person may not use his or her position with respect to the Organization in order to achieve a financial benefit for himself or herself or for a third person, including another nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable corporations.

#### **2. Definitions**

##### 2.1 Compensation.

“Compensation” includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

##### 2.2 Family. The “family” of

any individual shall include only his or her spouse, siblings, the spouse’s siblings, any ancestors and any descendents and their spouses.

##### 2.3 Financial interest. A

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

- (a) An existing or potential ownership or investment interest in any entity with which the Organization has a transaction, contract, or other arrangement. However, “financial interest” shall not include the ownership of less than 5% of the shares of a publicly traded entity, or
- (b) A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction, contract, or other arrangement. However, “financial interest” shall not include mere employment with an entity with which the Organization has a transaction, contract, or other arrangement unless the person will receive a direct, significant financial benefit from his or her employer because of the transaction, contract, or other arrangement, or



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- (c) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction, contract or other arrangement. However, for the purposes of this section, “financial interest” shall not include the same items set forth in sections (a) and (b) as excluded, or
- (d) An existing or potential ownership or investment interest in, or compensation arrangement, with any entity whose business or operation has been or will be directly affected by a decision or the action of the Organization. However, for the purposes of this section, “financial interest” shall not include the same items set forth in section (a) and (b) as excluded.

2.4 Interested Director. “Interested Director” shall mean any Director of the Organization who has a material financial interest, as defined above, or who serves as a Director or Officer of any entity with which the Organization has a transaction, contract, or other arrangement.

2.5 Interested Officer. “Interested Officer” shall mean any Officer of the Organization who has a material financial interest, as defined above, or whose serves as a Director or Officer of any entity with which the Organization has a transaction, contract, or other arrangement. For purposes of this policy, the Executive Director of the Organization shall be treated as an Officer.

2.6 Interested Person. “Interested Person” shall mean either:

- (a) Any person currently being compensated by the Organization for services rendered to it within the previous 12 months, whether as a full or part time employee, independent contractor, or otherwise, or
- (b) Any person whose family member, as defined above, is currently being compensated by the Organization for services rendered to it within the previous 12 months, whether as a full or part time employee, independent contractor, or otherwise.

## **3. Duty to Abstain**

- 3.1 Director shall not vote on any matter in which he or she has a material and direct financial interest that will be affected by the outcome of the vote.



- 3.2 In the event of such abstention, the abstaining Director shall state the reason for the abstention, which shall be noted in the minutes of the Board of Directors meeting.

#### **4. Disclosure by Directors or Officers**

- 4.1 When requested by the Executive Committee (but not less frequently than once a year), each Director or Officer shall promptly submit a statement to the Executive Committee setting forth all business and other affiliations which relate in any way to the business and other affiliations of the Organization.

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- 4.2 With respect to any particular matter then pending before the Organization, each Director and Officer shall disclose to the Executive Board any matter that could reasonably be considered to make the Director or Officer an “Interested Director” or “Interested Officer”, as defined above.
- 4.3 With respect to any particular matter then pending before the Organization, each Director and Officer shall disclose to the Executive Committee any relationship or other factor that could reasonably be considered to cause the Director or Officer to be considered to be an “Interested Person”, as defined above.
- 4.4 For the purposes of this section, Officers of the Organization need not disclose compensation and other benefits paid to the Officer by the Organization pursuant to Board resolution.

#### **5. Disclosure by Supporting Organization**

Members or participants in Supporting Organization councils must disclose conflicts of interest or other financial interest in matters within the scope of the Supporting Organization in the manner required by the Bylaws of the Supporting Organization.

#### **6. Procedures in Connection with Proposed Transactions and Arrangements**

6.1 Scope. This section applies to any proposed transaction, contract, or arrangement in which a Director, Officer or Interested Person has a material financial interest.

6.2 Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Director or Interested Officer must disclose the existence and nature of his or her material financial interest to the Executive Committee prior to the consideration of the proposed transaction, contract, or arrangement by the Board of any Committee of the Board.



6.3 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the disinterested members of the Executive Committee shall determine whether a conflict of interest exists. Neither the Board nor any Committee of the Boards shall vote upon any proposed transaction, contract or arrangement in connection with which an actual or possible conflict of interest has been disclosed by an Interested Director until such time as the Executive Committee has addressed the actual or possible conflict of interest. For matters pending before the full Board of Directors, a referral to the Executive Committee will not be required where the Interested Director fully discloses to the Board his or her financial interest and abstains from participation in the Board's consideration of the proposed transaction, contract or arrangement.

6.4  
Conflict of Interest

Procedures for Addressing

- 6.4.1 Where a matter has been referred to the Executive Committee and the Executive Committee has concluded that a conflict of interest exists, the chairperson of the Board or Committee of the Board shall, if appropriate, appoint a

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disinterested person or committee to investigate alternatives to the proposed transaction, contract or arrangement.

- 6.4.2 After exercising due diligence, the Board or Committee shall determine whether the Organization can obtain a more advantageous transaction, contract, or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- 6.4.3 If a more advantageous transaction, contract, or other 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 Directors whether the transaction, contract, or arrangement is in the Organizations best interest and for its own benefit and whether it is air and reasonable to the Organization, and shall make its decision as to whether to enter into the transaction, contract, or other arrangement in conformity with such determination.

**7. Violations of the Conflicts of Interest Policy**

- 7.1 If the Executive Committee has reasonable cause to believe that a Director or Officer has failed to disclose an actual or possible conflict of interest, it shall inform the



Director or Officer of the basis for such belief and afford the Director or Officer an opportunity to explain the alleged failure to disclose.

- 7.2 If, after hearing the response of the Director or Officer and making such further investigation as may be warranted in the circumstances, the Executive Committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall recommend to the Board of Directors appropriate disciplinary and corrective action.
- 7.3 The violation of this conflicts of interest policy is a serious matter and may constitute “cause” for removal or termination of a Director or Officer, or the termination of any contractual relationship the Organization may have with an Interested Person or other party.

## **8. Report of Proceedings**

- 8.1 When dealing with a conflicts of interest issue, the Executive Committee shall keep minutes of its deliberations that shall contain:
  - (a) The names of Directors and Officers found to have a material 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 decision of the Executive Committee as to whether a conflict of interest in fact existed.
  - (b) The names of the person who were present for discussions and votes relating to the actual or potential conflict of interest; the content of the discussion; and a record of any votes taken in connection therewith.

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- 8.2 In connection with a conflict of interest, the minutes of the Boards or other Committee of the Board shall contain the names of the persons 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.

## **9. Annual Statements**

Each Director and Officers shall annually sign a statement that affirms that 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
- (d) Understands that the Organization is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in the activities that accomplish one or more of its tax-exempt purposes.

#### **10. Periodic Reviews**

The Executive Committee shall periodically consider whether and how these Conflicts of Interest Policy should be revised or amended to better meet its objectives. In connection with any periodic review conducted by Organization to ensure that it operates in a manner consistent with its charitable purposes, the Executive Committee shall report on the conflict of interest matters referred to it and their resolution.

#### **11. Compliance with Applicable Law**

The Conflicts of Interest Policy is designed to meet or exceed the applicable legal requirements for such policies.

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