

CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE

The Alaska Center for the Blind & Visually Impaired is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of the Center as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between the Center and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of the Center honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the Center. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the Center or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. PERSONS CONCERNED

This statement is directed not only to directors and officers, but to all employees who can influence the actions of the Center. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning the Center.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to the Center.
2. Persons and firms with whom the Center is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
3. Competing or affinity organizations.
4. Donors and others supporting the Center.
5. Persons and firms from whom the Center leases property and equipment.

6. Agencies, organizations and associations which affect the operations of the Center.
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with the Center.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the Center.
3. Receiving remuneration for services with respect to individual transactions involving the Center.
4. Using the Center's time, personnel, equipment, supplies, or good will for other than the Center-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with the Center. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of the Center.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DUTY TO DISCLOSE

Directors, officers, and employees with influence over the actions of the Center must disclose the existence of a potential conflict of interest and be given the opportunity to disclose all material facts.

SECTION 7. DISCLOSURE POLICY AND PROCEDURE

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists and has been assessed; and
4. The board has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive officer (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the board. Disclosure involving directors should be made to the board chair (or if she or he is the one with the conflict, then to the board vice president), who shall bring these matters to the board.

The board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the Center. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of the Center and the advancement of its purpose.

After disclosure of the financial or other interest and all materials facts, and after any discussion with the interested person, that person shall leave the board while the determination of a conflict of interest is discussed and voted upon. The remaining board shall decide if a conflict of interest exists.

SECTION 8. VIOLATIONS OF THE CONFLICT OF INTEREST POLICY

If the board 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. If, after hearing the member's response and investigating as warranted by the circumstances, the board determines the member has failed to disclose an actual or possible conflict, it shall take appropriate disciplinary and corrective action.

Employees failing to report a possible conflict are subject to possible disciplinary action, up to and including dismissal.

SECTION 9. RECORD OF PROCEEDINGS

The minutes of the board shall contain the names of persons who disclosed or otherwise were found to have a conflict of interest, the nature of that conflict, any action taken to determine whether a conflict of interest was present, and the board's decision as to whether a conflict of interest in fact existed. The minutes shall also contain the names of those 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 in connection with the proceedings.

SECTION 10. ANNUAL STATEMENTS

Each director, officer and covered employee shall annually sign a statement which affirms that he or she has received a copy of the conflict of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands that the Center is charitable and must engage primarily in activities which accomplish its tax-exempt purposes in order to maintain its federal tax exemption.

SECTION 11. PERIODIC REVIEWS

The Center shall periodically review its operations to ensure that they are consistent with charitable purposes. These reviews shall include, at a minimum, compensation arrangements for reasonableness, comparability and arm's length bargaining; and any arrangements with other organizations or vendors for conformance to Center policies and to avoid impermissible private benefit or any excess benefit transaction.