



Conflict of Interest Policy

I. Purpose

To maintain the public trust and protect the integrity of the Windom Community Council (the “WCC”), Directors shall disclose to the Board any interest they have in a transaction or decision that may result in a financial gain to them, their business, family members and/or significant other, employer, or other non-profit organizations with which they are affiliated.

The Board shall not enter into any contract or transaction with (a) one or more of its Directors, (b) a Director of a related organization or an organization in or of which a Director is a member, officer, or legal representative, or in some other way has a material financial interest unless:

- That interest is disclosed or known to the Board of Directors.
- The Board approves, authorizes, or ratifies the action in good faith.
- The approval is by a majority of Directors (not counting the interested Director); and,
- Approval is obtained at a meeting where a quorum is present (not counting the interested Director).

The interested Director may be present for discussion to answer questions but may not advocate for the action to be taken and will be asked to leave the room while a vote is taken. The minutes of all actions taken on such a matter shall clearly reflect that these requirements have been met.

II. Violations of the Conflict-of-Interest Policy

If the Board or committee has reasonable cause to believe an interested person failed to disclose actual or possible conflicts of interest, then it will inform the interested person of the basis for their belief and afford them an opportunity to explain the alleged failure to disclose.

If, after hearing the interested person’s response and after making further investigation as warranted by the circumstances, the Board or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action which will be immediate suspension and/or termination from Board service.

III. Records of Proceedings

The minutes of all actions taken on such matters will clearly reflect the following:

- Names of the person(s) with a financial interest related to an actual or possible conflict
- Description of the financial interest
- Description of any action(s) taken to determine whether a conflict of interest was present
- Governing body's decision as to whether a conflict of interest in fact existed
- Names of the persons present for discussions and votes relating to the transaction
- Summary of the discussion, including any discussed alternatives to the proposed transaction
- A record of any votes taken

IV. Annual Statements

Each Director, Officer, and voting member of a committee or task force with Board delegated powers will annually sign a statement which affirms the person:

- Received a copy of the policy
- Read and understands the policy
- Agrees to comply with the policy
- Requires that they disclose any Financial Interest of Fiduciary Responsibility to another person or entity that could potentially form a conflict with the WCC in the upcoming year.
- Acknowledges that the WCC is a charitable organization, and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

V. Periodic Reviews

Periodic reviews will be conducted to ensure that the WCC operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax. The periodic reviews will, at a minimum, include the following subjects:

- a.** Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b.** Whether any grants are made to disqualified persons, or otherwise result in an excess benefit transaction.
- c.** Whether arrangements with other organizations 1) comply with the WCC's written policies, 2) are properly recorded, 3) reflect reasonable payments for goods and services, if any; and 4) further the WCC's charitable purposes and do not result in inurement or impermissible private benefit.

WCC may, at its option, use outside experts to conduct periodic reviews. If outside experts are used, their use does not relieve the board of its responsibility for ensuring that the reviews are conducted.

Approved by the Board of Directors on 10/14/2021