

**Jordan Area Community Council (JACC)  
Conflict of Interest Policy**

**PREFACE**

The JACC Conflict of Interest Policy is to supplement, not to replace, federal and state laws on conflict of interest applicable to non profit organizations. This policy was adopted by majority vote of the JACC Board of Directors on the 11th day of April 2007. It applies to all members of the JACC Board of Directors and is effective the date of said adoption.

JACC Board of Directors are expected to act with the fiduciary duties of care, loyalty, and obedience. This means that each Director must act in good faith and in a manner he/she reasonably believes is in JACC's best interest; must not use his/her position as a Director or use JACC's assets for personal gain; must comply with JACC's governing documents such as bylaws and policies and any federal and state laws governing non-profit organizations; must carry out JACC's mission; and must ensure that JACC's funds are used lawfully and for their intended purpose(s).

**CONFLICT OF INTEREST**

- I. A conflict of interest may arise when a Director, who has a duty to promote the interests of JACC, chooses to promote a competing interest instead. Unless disclosed to the JACC Board of Directors according to the procedures described herein and approved by the Board, Directors shall not engage in the following types of behaviors and/or transactions:
  1. Directors shall not enter into a contract or transaction with (a) JACC; (b) any other organization in which the Director or the Director's family member(s)<sup>1</sup> is the director, officer, legal representative, or has a material financial interest in that organization.<sup>2</sup>
  2. Directors must not take advantage of information he/she obtained in his/her position as a Director that is not immediately available to the general public and use that information to benefit himself/herself or his/her family member(s), and/or use that information in a way that will harm and/or compete with JACC's interests.
  3. Directors must not request, accept, or agree to accept gratuities, favors, gifts, or items of monetary value from any person, corporation, or business entity.
  4. Directors must not engage in or benefit personally from business opportunity that is available to or suitable for JACC, unless JACC decides to bypass the business opportunity and conflict of interest rules are followed.
  5. Directors must not use his/her position as a Director to obtain for himself/herself or for his/her family member(s) employment within JACC.
  6. Directors must not vote on any matter that comes before the JACC Board in which he/she or his/her family member(s) has a material financial interest, direct or indirect, that will be affected by the outcome of the vote.
  7. Directors must not exercise or attempt to exercise individual authority over JACC or its

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<sup>1</sup> a family member includes the Director's spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister.

<sup>2</sup> Some contracts or transactions may not be a violation of JACC's Conflict of Interest Policy if the Director can establish that the contract or transaction was fair and reasonable, that there was full disclosure of the conflict and that the contract or transaction was approved by the JACC Board of Directors as provided in the JACC Bylaws.

staff. In interacting with the JACC Director, JACC staff, and/or other member(s) of the JACC Board of Directors, the Director must recognize the lack of authority in any individual Director or group of Directors. The same rule applies when the Director interacts with members of the community, public, press and/or other groups. The Director must recognize that he/she, at the individual level, does not have the authority to speak for the JACC Board without prior Board approval.

8. Directors must not accept loan(s) from JACC for him/self or his/her family member(s) unless the loan may reasonably be expected, in the judgment of the JACC Board, to benefit JACC.

The above list is not exhaustive. Directors must follow his/her duty of loyalty to JACC. Directors must follow the disclosure procedures described herein when his/her behavior and/or transaction actually conflicts with JACC's interest, has the appearance of conflicting with JACC's interest, or has the potential of conflicting with JACC's interest.

- II. *Disclosure.* When an actual conflict of interest, the appearance of conflict of interest, or potential conflict of interest arises, the Director must disclose the existence and nature of the conflict in writing and submit it to the Chair of the JACC Board of Directors ("Chair"). Any Director who has information that another Director has a conflict of interest shall disclose the conflict in writing and submit it to the Chair.
- III. *Report/Committee.* After disclosure of a conflict of interest in writing and submitted to the Chair, the Chair must bring the matter to the attention of the Board at the next regular meeting of the JACC Board of Directors or during a special meeting, if necessary. The Chair, when appropriate, must form or assign a committee to determine whether a conflict of interest exists.
- IV. *Failure to Disclose.* If the JACC Board of Directors has reason to believe that a Director has failed to disclose an actual conflict of interest, the appearance of conflict of interest, or potential conflict of interest, the Chair must bring this alleged failure to disclose to the attention of the Board at a regular meeting of the JACC Board of Directors or during a special meeting, if necessary. The Chair must submit the alleged failure to disclose to a committee to determine whether there has been a failure to disclose.
- V. *Sanctions.* In reviewing a conflict of interest matter that comes before the committee, the committee must do the following:
  1. Take minutes of the committee meeting. The minutes of the committee meeting must contain the name of the Director subject of the possible conflict of interest; the nature of the conflict; any action taken by the committee to determine whether a conflict of interest exist or whether a Director has failed to disclose a conflict of interest; and the decision of the committee as to whether a conflict of interest in fact existed or whether a Director has actually failed to disclose a conflict of interest.
  2. After reasonable investigation and deliberation, the committee shall make a recommendation to the JACC Board of Directors at the next regular JACC Board meeting or a special meeting, if necessary, as to what disciplinary action(s), if any, the committee deems is appropriate.

3. The JACC Board shall then vote on the committee's recommendation pursuant to the JACC Bylaws. The Director that is subject of the investigation shall be excluded from voting.
- VI. *Grievance.* A Director aggrieved by a decision as to the existence or nonexistence of a conflict of interest, or failure to disclose such interest, may file a grievance as provided by the JACC Bylaws and/or other JACC governing documents.
- VII. *Acknowledgment.* All Directors must annually sign a statement which affirms that he/she:
1. Has received a copy of JACC's Conflicts of Interest Policy;
  2. Has read and understood the policy; and
  3. Has agreed to comply with the policy.
  4. A Director who fails or refuses to sign such a statement will be suspended until he/she agrees to sign such statement.<sup>3</sup>
- VIII. *Amendments.* This policy may be amended from time to time by a majority of the JACC Board of Directors pursuant to the JACC Bylaws.

### **JACC CONFLICT OF INTEREST POLICY ACKNOWLEDGMENT**

The undersigned hereby acknowledges that he/she has:

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<sup>3</sup> Missing a certain number of meetings consecutively may result in automatic expulsion from the JACC Board altogether. Please refer to the JACC Bylaws.

1. Received a copy of JACC's Conflicts of Interest Policy;
2. Read and understood the policy; and
3. Agreed to comply with the policy.

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*Name*

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*Address*

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*Signature*

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*Date*