



Whitman County Historical Society

PO Box 67

Colfax, WA 99111

Conflict of Interest

Purpose

The purpose of this policy is to guide Board members on how to identify, declare and address potential, perceived or real conflicts to perform their governance duties in an efficient and timely manner.

This policy applies to all Board members of the company. The Board of directors are individually and collectively expected to operate to high ethical standards, and in the best interests of the company. Conflicts may be real, perceived or potential and may be financial or non-financial.

Policy Statement

The objective of this policy is to ensure that Board members carry out their governance responsibilities in an honest, open and ethical manner and in compliance with the law and to limit or avoid any real or perceived conflicts of interests.

Definition of Conflict of Interest

A conflict of interest arises when a director has, or is perceived to have, a personal, family or business interest or is involved in other community or professional activities that might benefit from a decision in which he/she is involved in making, or is able to influence those making it and/or is involved with a competing or sister organisation that may result in a divided/ limited loyalty in the context of making a decision.

Voting for or against, or arguing for or against, a particular outcome may influence a decision. Limiting the options being considered may also influence the scope of the conflict of interest.

Examples of Conflict of Interest in a Not-for-Profit / Charity Context (Please note this list is not exhaustive) may include:

- A Board member has a personal or business relationship with the company as a supplier of goods or services or as a landlord or tenant.



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- A Board member is directly related to a staff member employed by the company.
- A Board member is related to a major funder or donor
- A Board member is on the board of a not-for-profit entity with which the company is contracting.
- A Board member is on the Board of another not-for-profit entity with which the company competes for funds / donations.
- The Board member has a competing professional duty (such as a journalist's duty to protect the source of information).
- A Board member uses confidential information acquired because of their position within the company to promote their private interests.
- A Board member has received a gift or monetary/non-monetary benefit from someone who could benefit from a particular decision.

Conflicts of interest are unavoidable and should not prevent an individual from serving as a director unless the extent of the interest is so significant that the potential for undue influence is present in situations which can potentially damage the reputation of the company.

When deciding whether a potential conflict of interest should be disclosed, consider the situation from an external perspective and if in doubt, err on the side of transparency and disclosure. This policy cannot describe and document all conflicts of interest, and its application may have limitations at times.

Disclosure

Each Board member is required to review this policy and declare any and every potential, perceived and real conflict annually. If the interest is anticipated, it should be declared prior to their nomination or election, otherwise they are obliged to disclose them when the circumstances arise. The form for declaration is found in Appendix I. Interests will be recorded on the register of interests, which will be maintained by the Company Secretary. The register will be accessible by the Board, the Chair and other appropriate people in the company

The information will be processed in accordance with data protection principles as per General Data Protection Regulations. Data will be processed only to ensure that directors and senior staff act in the best interests of the Company. The information provided will not be used for any other purpose other than protecting the best interests of the company.



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Rights

Board members have a duty to exempt themselves from participating in any discussion related to the conflict and voting on any matter pertaining to the conflict.

Procedure

If any Board member feels that another member may have a conflict of interest, he or she is required to raise that potential or perceived conflict at the subsequent board meeting.

In the event of a Conflict of Interest issue being brought to the attention of the Board the following procedure applies.

- The Board should establish if there is a conflict of interest, or the perception of one, and determine what actions are necessary to address the situation.
- If there is one, the Chair will ask / write to the individual to request him /her to provide an explanation at the next Board meeting giving him / her reasonable notice to do so. The explanation can be communicated orally or in writing or both.
- Once this has been done the Chair can ask the individual to leave the room to enable the board to discuss the matter.
- Ask for more information if required and discuss it at a subsequent Board meeting and discuss with the individual if need be.

Once the fact finding process has been completed and the Board has a good understanding of the issue, the Board may take any of the following actions, depending on the alleged conflict of interest.

- Note the conflict in the minutes and take no action
- Advise the individual in writing that there has been a conflict of interest which has been in breach of the policy, but no further action will be taken, but that a further breach could lead to disciplinary action
- Ask for the individual's resignation. Note the Board could decide this by consensus or by voting on the matter.
- Dismiss the director in accordance with the Company's Constitution and Company Law. Note the Board could decide this by consensus or by voting on the matter.

Note that Board Minutes of meetings should reflect when a Board member discloses that he or she has a conflict of interest and record the discussions in relation to the conflict and how it was managed. This should be recorded in the Board minutes of the meeting, and the times the interested Board member left and returned to the room.



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APPENDIX I

ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM

Date: _____

Name: _____

Position: _____

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between the company and your personal interests, financial or otherwise that would hinder my governance duties:

I _____ have no Conflict of Interest to Report

I _____ have the following Conflict of Interest to report (please provide details and insert additional lines where necessary)

1. _____

2. _____

3. _____

Declaration

I hereby certify that the information provided above is true and complete to the best of my knowledge having made reasonable enquiries. I have received a copy of the Conflict of Interest



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Policy dated and had the chance to both read the policy and ask questions about it, and agree to abide by it

Signature: _____

Date: _____

Review

This policy should be reviewed by the Board every 1-2 years, or when deemed appropriate.