**NLN Affiliated Constituent League**

**Policy and Procedure**

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| policy number | **2.3** |
| policy name | Conflict of Interest |
| **date of origin** | (Date) |
| purpose | Provide general direction so that board members and employees can seek further clarification on issues related to the subject of acceptable standards of operation. |
| 1. **policy** | CL employees and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.  An actual or potential conflict of interest occurs when a board member or an employee is in a position to influence a decision that may result in personal gain or gain for a relative as a result of XYZ’s business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the board member or employee is similar to that of persons who are related by blood or marriage.  No presumption of a conflict is created by the mere existence of a relationship with outside firms. However, if a board member or an employee has any influence on any material business transactions, it is imperative that he or she discloses to an officer of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.  Personal gain may result not only in cases where a board member, an employee, or a relative has a significant ownership in a firm with which XYZ does business, but also when a board member, an employee, or a relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving XYZ. |
| **Annual Statements** | Each director, principal officer, and member of a committee with governing board–delegated powers shall annually sign a statement that affirms such person   * has received a copy of the conflict-of-interest policy * has read and understands the policy * has agreed to comply with the policy * understands the organization is charitable 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 |

Revision Dates: