

# CONFLICT OF INTEREST POLICY

## Lewis County Stabilization Project (LCSP)

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### 1. Purpose

The purpose of this Conflict of Interest Policy is to protect the integrity of Lewis County Stabilization Project (“LCSP”) when it is considering actions, decisions, or transactions that could benefit the private interest of a Director, Officer, or key staff member.

This policy is intended to ensure that decisions are made in the best interest of the organization and the individuals it serves, and to maintain public trust, transparency, and compliance with applicable state and federal nonprofit laws.

### 2. Who This Policy Applies To

This policy applies to:

- Members of the Board of Directors
- Officers of the Corporation
- Any committee member with board-delegated authority
- Key staff, if applicable

### 3. What Is a Conflict of Interest

A **conflict of interest** exists when an individual involved in decision-making for LCSP has a **financial, professional, or personal interest** that could influence, or appear to influence, their judgment on behalf of the organization.

Examples include, but are not limited to:

- Owning, operating, or being employed by a housing provider or service organization that may receive placements, referrals, or payments from LCSP
- Receiving compensation from an entity that does business with LCSP
- Having a family or close personal relationship with someone who may benefit financially from LCSP decisions
- Having an ownership, investment, or contractual interest related to LCSP activities

Having a conflict does **not** mean someone has acted improperly. Conflicts are expected and manageable when disclosed and handled appropriately.

### 4. Duty to Disclose

All Directors and Officers have an ongoing duty to disclose:

- Any actual conflict of interest
- Any potential conflict of interest
- Any situation that could reasonably be perceived as a conflict

Disclosure must occur:

- At the time the individual joins the Board or assumes office
- Annually, through a signed disclosure statement
- **Immediately** when a specific issue or decision involving a potential conflict arises

Disclosures must be made to the Board of Directors and documented in meeting minutes.

## **5. Procedures When a Conflict Arises**

When a conflict of interest is disclosed or identified, the following steps shall be taken:

### **Step 1: Disclosure**

The interested person shall disclose the nature of the conflict and all relevant facts to the Board before any discussion or decision occurs.

### **Step 2: Recusal**

The interested person shall:

- Refrain from participating in discussion related to the matter
- Leave the meeting (or virtual meeting) during discussion and voting
- Not attempt to influence the decision before or after the meeting

### **Step 3: Board Determination**

The remaining, disinterested Board members shall determine whether a conflict of interest exists and whether the proposed action or transaction is in the best interest of LCSP.

### **Step 4: Consideration of Alternatives**

When appropriate, the Board shall consider whether alternative arrangements or providers are available that would not give rise to a conflict of interest.

### **Step 5: Decision**

If no reasonable alternative exists, the Board may approve the transaction if it determines, by a majority vote of disinterested Directors, that the action is:

- Fair and reasonable

- In the best interest of LCSP
- Consistent with the organization's mission and charitable purpose

## **6. Documentation**

The minutes of the Board meeting shall document:

- The name of the individual with the conflict
- The nature of the conflict
- That the individual recused themselves from discussion and voting
- The decision made by the disinterested Board members

This documentation serves to protect the organization and its leadership.

## **7. Violations of the Policy**

If the Board has reasonable cause to believe that a Director or Officer has failed to disclose a conflict of interest, the Board shall:

1. Inform the individual of the concern
2. Provide an opportunity for explanation
3. Take appropriate corrective action if necessary

Corrective action may include additional disclosure, removal from decision-making on certain matters, or other actions deemed appropriate by the Board.

## **8. Annual Disclosure Requirement**

Each Director and Officer shall annually sign a Conflict of Interest Disclosure Statement affirming that they:

- Have received and read this policy
- Understand the policy
- Agree to comply with the policy
- Understand that LCSP is a charitable organization and must act in the public interest

## **9. Review and Oversight**

The Board of Directors shall periodically review organizational practices to ensure:

- Transactions are reasonable and in the best interest of LCSP
- Compensation and payments are the result of arm's-length decisions

- The organization remains compliant with its charitable purpose

