

ANDROSCOGGIN LAND TRUST CONFLICT OF INTEREST POLICY

Land Trust Standards and Practices

Practice 4A: Dealing with Conflicts of Interest

The land trust has a written conflict of interest policy to ensure that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means. The conflict of interest policy applies to insiders (see definitions), including Board and staff members, substantial contributors, parties related to the above, those who have an ability to influence decisions of the organization and those with access to information not available to the general public. Federal and state conflict disclosure laws are followed.

PURPOSE

It is the policy of the Androscoggin Land Trust (ALT) to identify actual, potential and perceived conflicts of interest and to address them in a transparent manner that ensures a fair outcome for ALT and protects the integrity of all persons involved.

APPLICABILITY

A. Covered Persons

This policy shall apply to all persons employed by ALT (“Staff”), members of the board of directors (“Board”), committee members, substantial contributors, volunteers, interns and any person in a position to exercise substantial influence over the affairs of ALT (each, a “Covered Person”). It shall also apply to “Insiders” as defined as follows:

Insiders: board and staff members, substantial contributors, parties related to the above, those who have an ability to influence decisions of the organization and those with access to information not available to the general public.

The IRS generally considers “insiders” or disqualified persons under IRC §4598 to be persons who, at any time during the five-year period ending on the date of the transaction in question, were in a position to exercise substantial influence over the affairs of the organization. “Insiders” generally include: board members, key staff, substantial contributors [see IRC §507(d)(2)], parties related to the above and 35-percent controlled entities. While these are strict definitions within the tax code, land trusts are advised to take an even more proactive approach to the potential damage that conflicts of interest may cause an organization and also include in the definition of “insiders” all staff members and those with access to information not available to the general public (such as certain volunteers).

Related parties is defined by the IRS to include spouse, brothers and sisters, spouses of brothers and sisters, ancestors, children, grandchildren, great-grandchildren and spouses of children, grandchildren and great-grandchildren.

B. Conflict of Interest

A conflict of interest arises when a Covered Person’s duty of loyalty to ALT comes into conflict with a competing financial or personal interest that he or she (or a relative) may have in respect to an existing or proposed project or transaction of ALT.

Neither reimbursement paid to Covered Persons for incidental expenses incurred in the ordinary course of the business of ALT nor compensation paid to the Staff in accordance with their employment contracts shall give rise to a conflict.

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Dealing with Conflicts

A. Responsibilities for Determining Whether a Conflict of Interest Exists

In the case of Board members, the Executive Director, committee members, substantial contributors and persons in a position to exercise substantial influence over the affairs of ALT, the non-conflicted members of the Board or committee shall be responsible for deciding if a conflict of interest exists.

In the case of the Staff, a volunteer or intern, the Executive Director shall be responsible in the first instance for deciding if a conflict of interest exists, and shall report his or her decision in writing to the Board. Such written report shall set forth all relevant information used to make the determination. The Board shall accept, modify or reject the decision of the Executive Director.

A determination that a conflict of interest exists shall not preclude the Board or committee from approving a project or transaction provided that the Affirmative Obligations of Covered Persons and the Duties of the Board, set forth below, have been satisfied in full.

B. Affirmative Obligations of Covered Persons

Disclosure

Each Covered Person must disclose the existence of any actual, potential or perceived conflict of interest in a project or transaction of ALT at the earliest possible instance. Such disclosure shall be made to the President, Executive Director, or chairperson of the committee on which he or she serves prior to any involvement of such Covered Person in the matter concerning the conflict. An oral announcement shall be made at the Board or committee meeting in which the project or transaction is under consideration and such announcement shall be duly recorded in the minutes of the meeting.

Abstention

Until the matter has been resolved, each Covered Person who has an actual, potential or perceived conflict of interest in a project or transaction of ALT must refrain from discussing such project or transaction, or any detail thereof, with any other Covered Person and must absent themselves from Board and committee discussions of the same unless specifically requested by the Board or committee to provide information.

Disenfranchisement

No Covered Person who has an actual, potential or perceived conflict of interest in a project or transaction shall be permitted to vote on the Board or in committee with respect to any aspect of such project or transaction.

Resignation

When warranted by the nature and magnitude of the conflict of interest and when requested to do so by the Board, a Covered Person shall resign from the Board or committee and shall not be considered for re-appointment until such time as the matter that has given rise to the conflict has been resolved to the Board's satisfaction.

C. Duties of the Board in Conflict of Interest Situations

Findings

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When a project or transaction involves an actual, potential or perceived conflict of interest with a Covered Person, the Board may approve the project or transaction only after making specific findings that:

1. the project or transaction ensures a fair outcome to ALT; and
2. the project or transaction has been approved with the Board's full knowledge of its financial and other benefit to the Covered Person who has the conflict.

Additional Findings

When the Covered Person is a member of the Board, a potentially tainted project or transaction may only be approved after making the following additional findings:

1. that the conflicted member of the Board did not participate in the vote approving the project or transaction and was absent during the discussion of said project or transaction; and
2. that a more advantageous arrangement could not have been obtained by ALT with reasonable effort.

Records

The minutes of the Board and committee meetings in which an actual, potential or perceived conflict of interest was discussed shall contain:

1. the name of the Covered Person with the actual, potential or perceived, conflict of interest and a description of any action taken to determine if such conflict exists; and
2. the names of the non-conflicted Board or committee members present for the discussion and voting on the project or transaction, a summary of the discussion and the alternatives considered, and a record of all votes taken in relation thereto.

Post Facto Determinations

Failure to identify an actual, potential or perceived conflict of interest prior to approval of a project or transaction shall not automatically void the transaction. In such case, the Board must review the potentially tainted project or transaction immediately upon becoming aware of the conflict to determine if such project or transaction should be continued. If an agreement has been signed in relation thereto, the Board must determine whether to seek amendment or revocation of such agreement.

Personal Conflict of Interest Statements

Staff, members of the Board of Directors, and any members of any Committee of ALT with powers delegated by the Board of Directors shall sign a statement at the time of their appointment and thereafter as circumstances warrant that the person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that ALT is a charitable organization and in order to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax exempt purposes.

Miscellaneous

- Covered Persons shall not be granted special privileges to use property owned or managed by ALT unless the sole purpose of such use is to support one or more programs of ALT.

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- Members of the Board and Staff shall not accept gratuities or gifts from individuals and entities doing business with ALT unless such gifts and gratuities are valued at less than one hundred dollars (\$100) and their acceptance has been approved by the Board without the participation or vote of any member of the Board or Staff who is a potential recipient of such gift or gratuity.
- Members of the Board and Staff shall not use the name, letterhead, facilities or property of ALT for personal or partisan political activities.
- Covered Persons shall not receive any assistance from the Staff for personal needs or interests beyond that which would be provided to a member of the general public in similar circumstances.
- The Executive Director shall notify the Board when a relative of a member of the Board or Staff is an applicant to be engaged by contract or hired for employment. The Board, after excluding the member of the Board or Staff with a relationship to the applicant from any involvement with the matter, shall consider whether the engagement or hiring should proceed. Such decision shall be based solely on the best interests of ALT.

<p>Adopted by Board: 9/6/2011 Amended: 5/28/2013</p>
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CONFLICT OF INTEREST STATEMENT

I have received and read the Androscoggin Land Trust (ALT) Conflict of Interest policy, approved by the Board of Directors on _____, and I agree to conduct myself in accordance with the policy, including making the necessary disclosures when such situations arise. I understand that ALT is charitable and to retain its federal tax exemption it must engage primarily in activities which accomplish its tax exempt purposes.

For the information of the ALT, I am also listing below any “associates” (as defined below) that could reasonably give rise to a conflict of interest involving the ALT, and the position and/or interest which I or a member of my family has in each “associate.”

Signed _____ Date _____

* An associate of an individual includes a person, trust, organization, or enterprise (of a business nature or otherwise) with respect to which the individual or any member of his or her family: 1) is a director, officer, employee, member, partner, or trustee, or 2) has a financial interest that reasonably could give rise to a conflict of interest involving the institution, or any other interest which enables him or her to exercise control or significantly influence policy.

COI statement adapted from Brunswick-Topsam Land Trust Land Trust