



*A non-profit organization working to conserve, distribute and document the adapted and diverse varieties of agricultural seeds, their wild relatives and the role these seeds play in cultures of the American Southwest and northwest Mexico.*

## **Native Seeds/SEARCH Conflict of Interest Policy**

### **Principle**

The purpose of the following policy and procedures is to prevent the personal interest of staff members, board members, and volunteers from interfering with the performance of their duties to Native Seeds/SEARCH (NS/S), or result in personal financial, professional, or political gain on the part of such persons at the expense of NS/S or its members, supporters, and other stakeholders. Native Seeds/SEARCH board members (Directors), staff members, and volunteers shall scrupulously avoid any conflict between their own personal, professional or business interests and the interests of the organization, in any and all actions taken by them on behalf of the organization in their respective capacities.

In the event that any board member, staff member, or volunteer has any direct or indirect interest in, or relationship with, any individual or organization that proposes to enter into transactions involving:

1. The sale, purchase, lease or rental of any property or other asset;
2. Employment, or rendition of services, personal or otherwise;
3. The award of any grant, contract or subcontract;
4. The investment or deposit of any funds of the organization;
5. Spending resources (i.e., transactions such as purchases contracts)

Such person shall give notice of such interest or relationship and shall thereafter: refrain from discussion or voting on the particular transaction in which he/she has an interest, in no other way attempt to exert any influence on the organization or its components to affect a particular decision, or not participate in such transaction. Additionally, full disclosure of the following should be made in writing to the board of directors:

1. A board member is related to another board member or staff member by blood, marriage or domestic partnership.
2. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
3. A board member or staff member is a member of the governing body of a contributor to NS/S.
4. A volunteer working on behalf of NS/S who meets any of the situations or criteria listed above.

## Purpose

The purpose of the conflict of interest policy is to protect NS/S as a tax-exempt organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an interested person of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## Definitions

Interested Person: Any board member, staff member, or volunteer with governing board-delegated powers, that has a direct or indirect financial interest as defined below.

Conflict of Interest (also Conflict): A conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, officers, and board members of NS/S.

Board: The board of directors.

Officer: An officer of the board of directors.

Volunteer: A person—other than a board member—who does not receive compensation for services and expertise provided to NS/S and retains a significant decision-making authority to commit resources of the organization.

Staff Member: A person who receives all or part of her/his income from the payroll of NS/S.

Supporter: Corporations, foundations, individuals, 501(c)(3) nonprofits, and other nonprofit organizations who contribute to NS/S.

Financial Interest: A person has a financial interest if the person has, or directly or indirectly, through business, investment or family:

- a. An ownership or investment interest in any entity with which the organization has a transaction to arrangement.
- b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement.
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or the person himself decides that a conflict of interest exists.

Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the board of directors, with delegated powers considering the proposed transaction



or arrangement. If a potential conflict arises with a staff member or volunteer, disclosure shall be made to the Executive Director.

Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and material facts, and after any discussion with the interested person, he/she shall leave the board meeting while the determination or a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest:

- a. An interested person may make a presentation at the board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Board Chairperson shall, if appropriate, appoint a disinterested person or committee to investigate alternative to the proposed transaction or arrangement.
- c. After exercising due diligence, the board shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflict of Interest Policy:

- a. If the board has reasonable cause to believe a board member, staff member, or volunteer has failed to disclose actual or possible conflict of interest, it shall inform the board member, staff member, or volunteer of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If after hearing the member's response and after making further investigation was warranted by the circumstances, the board of directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Record of Proceedings: Board meeting minutes that pertain to conflict of interest discussion shall constitute necessary documentation. Such minutes shall include: the name of the person disclosed or otherwise found to have conflict of interest; the nature of the conflict of interest; any action taken to determine if conflict of interest was indeed present; and the decision as to whether a conflict of interest in fact existed. The name of the persons present and the outcome of the vote taken shall also be documented.

Annual Statements: Each board member, staff member, and volunteer shall annually sign a statement which affirms that such person has received a copy of the conflict of interest policy and has read and understands the policy.

Periodic Reviews: To ensure the organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

By signing below, I acknowledge that I have read and understand this policy.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Adopted November 15, 2008