

Conflicts of Interest

Conflict of Interest Policy for Big Brothers Big Sisters of Central Arizona

I. Application of Policy

This policy is intended to supplement, but not replace, federal and state laws governing conflicts of interest applicable to Big Brothers Big Sisters of Central Arizona. It applies to board members and staff with significant decision-making authority. Each must complete the affirmation statement annually. Persons covered under this policy, as well as their relatives and associates, are hereinafter referred to as "interested parties."

II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of Big Brothers Big Sisters of Central Arizona. There are a variety of situations that raise conflict of interest concerns including, but not limited to, the following:

A. Financial Interests - A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by Big Brothers Big Sisters of Central Arizona. Examples include situations where:

- Big Brothers Big Sisters of Central Arizona contracts to purchase or lease goods, services, or properties from an interested party.
- Big Brothers Big Sisters of Central Arizona offers employment to an interested party, other than a person who is already employed by Big Brothers Big Sisters of Central Arizona.
- An interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with Big Brothers Big Sisters of Central Arizona.
- An interested party is gratuitously provided use of the facilities, property, or services of Big Brothers Big Sisters of Central Arizona.
- Big Brothers Big Sisters of Central Arizona adopts a policy that financially benefits an interested party.

A financial interest is not necessarily a conflict of interest.

B. Other Interests - A conflict also may exist where an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with Big Brothers Big Sisters of Central Arizona. Examples include where:

- An interested party seeks to obtain preferential treatment by Big Brothers Big Sisters of Central Arizona or recognition for himself/herself or another interested party.
- An interested party seeks to make use of confidential information obtained from Big Brothers Big Sisters of Central Arizona for his/her own benefit (not necessarily financial) or for the benefit of another interested party.
- An interested party seeks to take advantage of an opportunity or enables another interested person or other organization to take advantage of an opportunity that he/she has reason to believe would be of interest to Big Brothers Big Sisters of Central Arizona.

- Big Brothers Big Sisters of Central Arizona adopts a policy that provides a significant non-financial benefit to an interested party.

III. Disclosure of Potential Conflicts of Interest

An interested party is under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known.

Disclosure statements will be submitted as follows. For board members, the disclosure statements shall be provided to the Chair of the board. The Chair's disclosure statement shall be provided to the Secretary of the board or its equivalent. Copies also shall be provided to the CEO/ED of Big Brothers Big Sisters of Central Arizona.

In the case of staff with significant decision-making authority, the disclosure statements shall be provided to the CEO/ED of Big Brothers Big Sisters of Central Arizona. In the case of the CEO/ED, the disclosure statement shall be provided to the Chair of the Board. In all cases, the recipient is the designated reviewing official responsible for bringing potential conflicts to the attention of the appropriate authorities. The Secretary of the Board of Directors shall file copies of all Board disclosure statements with the official corporate records of Big Brothers Big Sisters of Central Arizona. The CEO/ED shall maintain a file of all management disclosure statements.

IV. Procedures for Review of Potential Conflicts

Whenever there is reason to believe that a potential conflict of interest exists between Big Brothers Big Sisters of Central Arizona and a Board member or the CEO/ED, the Board of Directors shall determine the appropriate response. This shall include, but not necessarily be limited to, invoking the procedures described below with respect to a specific proposed action, policy or transaction. The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the board promptly for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest.

Where the potential conflict involves an employee of Big Brothers Big Sisters of Central Arizona other than the CEO/ED, the CEO/ED shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of Big Brothers Big Sisters of Central Arizona.

V. Procedures for Addressing Conflicts of Interest - Board Member or CEO/ED

Where a potential conflict exists between the interests of Big Brothers Big Sisters of Central Arizona and a Board Member with respect to a specific proposed action, policy or transaction, the Board of Directors shall consider the matter during a meeting of the board. Big Brothers Big Sisters of Central Arizona shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the Board of Directors.

The disinterested members of the Board of Directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of Big Brothers Big Sisters of Central Arizona. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to Big Brothers Big Sisters of Central Arizona and whether it would be

possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.

VI. Violations of Conflict of Interest Policy

If the Board of Directors or Ed has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the board decides that the interested party has in fact failed to disclose a possible conflict of interest, the board shall take such disciplinary and corrective action as the board shall determine.

Big Brothers Big Sisters of Central Arizona Conflict of Interest Annual Affirmation of Compliance

I have received and carefully read the Conflict of Interest Policy for board members and staff with significant decision making authority of Big Brothers Big Sisters of Central Arizona and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that Big Brothers Big Sisters of Central Arizona is a nonprofit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes without personal gain (other than by salary) by board members or staff.

Except as otherwise indicated below, I hereby state that I do not have any conflict of interest, financial or otherwise that may be seen as competing with the interests of Big Brothers Big Sisters of Central Arizona nor does any relative or associate have such a potential conflict of interest, nor shall I, any relative or associate benefit from any action, policy or transaction made by Big Brothers Big Sisters of Central Arizona in a manner that has not been previously disclosed.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose in writing the circumstances to the Chair of the Board of Directors of Big Brothers Big Sisters of Central Arizona or to the CEO/ED, as applicable.

Name (Please print)

Signature Date

Please explain potential conflict(s) below: