

## FAIRLINGTON COMMONS

### Policy on Conflicts of Interest and Disclosure of Certain Interests

This conflict of interest policy is designed to help the Board of Directors of the Fairlington Council of Co-Owners, volunteers and committee members (Commons Board) serving it to identify situations that present potential conflicts of interest. It is also designed to provide the Commons Board with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, committee member or volunteer may have a conflict of interest regarding the transaction.

#### 1. Definitions.

- A. A "Conflict of Interest" occurs when a situation or circumstance exists that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and the interest of the organization he or she is serving.
- B. A "Responsible Person" is any person serving as an officer or member of the Board of Directors of the Fairlington Council of Co-Owners (Council of Co-Owners) or who serves as a volunteer or committee member.
- C. A "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- D. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- E. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind or the establishment of any other type of pecuniary relationship.

#### 2. Among the circumstances deemed to create Conflicts of Interest are the following:

##### A. Outside Interests.

- (i) A Contract or Transaction between the Commons Board and a Responsible Person or Family Member.
- (ii) A Contract or Transaction between the Commons Board and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

##### B. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors such action was intended to influence or might influence the Responsible Person in the performance of his or her duties from any individual or entity that:

- (i) does or is seeking to do business with the Commons Board; or
- (ii) has received, is receiving or is seeking to secure financial commitments from the Commons Board.

Gift, gratuities and entertainment limits are as follows: The gift is valued at \$20 or less, so long as the gift is not cash, and the Responsible Person accepts no more than \$50 in gifts, in the aggregate, from the same outside source in a calendar year.

#### 3. Procedures.

- A. Prior to Board or committee action on a Contract or Transaction involving a Conflict of Interest, a director, committee member or volunteer having a Conflict of Interest or and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

- B. A director, committee member or volunteer who plans not to attend a meeting at which he or she has reason to believe that the Board or committee will act on a matter in which the person has a Conflict of Interest or shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- C. A person who has a Conflict of Interest shall not participate in the Board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- D. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the President or the Presidents' designee, who, in consultation with other directors, shall determine whether there exists a Conflict of Interest that is subject to this policy.

4. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be averse to the interests of the Council of Co-Owners. Furthermore, a Responsible Person shall not disclose or use information relating to the business of the Council of Co-Owners for the personal profit or advantage of the Responsible Person or a Family Member.

5. Review of policy.

Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.

**Conflict of Interest Information Form**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in the Fairlington Commons Council of Co-Owners' Policy on Conflicts of Interest) arising.

*I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy on Conflict of Interest of the Fairlington Commons Council of Co-Owners that is currently in effect.*

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