

THE PRESERVATION OF RURAL IOWA ALLIANCE

Conflict of Interest Policy

(As adopted July 30, 2013)

Article I Purpose

The purpose of the conflict of interest policy is to protect the tax-exempt interest of The Preservation of Rural Iowa Alliance (the "Organization") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director or committee member of the Organization. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Article II Definitions

1. **Interested Person:** Any Director or committee member who has a direct or indirect financial interest, as defined below.
2. **Financial Interest:** A person has a financial interest if the person, directly or indirectly, through business, investment, or family either receives compensation from or has an actual or potential ownership or investment interest in, any entity with which the Organization has a transaction or arrangement, or with which the Organization is negotiating a transaction or arrangement.
3. **Compensation:** Includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. **Family:** Includes any person within the first degree of consanguinity to the Interested Person

Article ID Procedures

1. **Duty to Disclose.** An interested person must disclose the existence of his or her financial interest in any proposed or potential transaction or arrangement with the Organization. The interested person must disclose all material facts to the Board of Directors or committee considering the matter.
2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the meeting. The Board of Directors or committee shall then consider whether a conflict of interest exists.
3. **Determining a Course of Action.** If a conflict is found to exist, the Board of Directors or committee shall consider whether a more advantageous transaction or arrangement is reasonably possible under circumstances not producing a conflict of interest. Accordingly, it shall decide to either:
 - a. Appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement and report back with a recommendation; or
 - b. Allow the transaction or the arrangement with the interested party to be approved, or
 - c. Proceed in another fashion to advance the best interests of the Organization.
 - d. If a committee is unable or unwilling to determine a course of action, it may refer the question to the Board of Directors for resolution.

d, Violations of the Conflicts of Interest Policy

- a, If the Board of Directors or committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the Member 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 as warranted by the circumstances, a Committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall refer the allegation to the Board of Directors. If, after making such further investigation as it deems necessary the Board determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5. **Annual Disclosure of Potential Conflicts.** Every Director of the Board of Directors shall complete the **ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT** provided below and deliver it to the Secretary on or before August 31 each year.

Article IV
Records of Proceedings

The minutes of any Board of Directors or committee meeting in which a conflict of interest is discussed shall contain:

- 1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- 2. The names of the persons who were present for the discussion, a synopsis of the discussion including any alternatives considered, and a record of any votes taken on the conflict issue.

Article V
Compensation

No Director on the Board of Directors nor any committee member shall receive any compensation, directly or indirectly, from the Alliance

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The above policy was adopted by a majority of the Board of Directors of the present at a regular meeting of the Board of Directors held the 30 day of July, 2013, a quorum being present.

Cindy Kanel
Secretary