

## **James Arnold Mansion, Inc.**

### **CONFLICT OF INTEREST POLICY**

#### **SECTION 1. PURPOSE:**

The James Arnold Mansion, Inc. is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of James Arnold Mansion, Inc. as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public. Consequently, there exists between and its board, officers, and James Arnold Mansion, Inc, management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of the James Arnold Mansion, Inc. honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the James Arnold Mansion, Inc. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the James Arnold Mansion, Inc. or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

#### **SECTION 2. PERSONS CONCERNED:**

This statement is directed not only to directors and officers, but to all employees who can influence the actions of the James Arnold Mansion, Inc. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning the James Arnold Mansion, Inc.

#### **SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to the James Arnold Mansion, Inc.
2. Persons and firms from whom the James Arnold Mansion, Inc. leases property and equipment.
3. Persons and firms with whom the James Arnold Mansion, Inc. is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.

4. Competing or affinity organizations.
5. Donors and others supporting the James Arnold Mansion, Inc.
6. Agencies, organizations, and associations which affect the operations of the James Arnold Mansion, Inc.
7. Family members, friends, and other employees.

#### **SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with the James Arnold Mansion, Inc.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the James Arnold Mansion, Inc.
3. Receiving remuneration for services with respect to individual transactions involving the James Arnold Mansion, Inc.
4. Using the James Arnold Mansion, Inc.'s time, personnel, equipment, supplies, or good will for other than James Arnold Mansion, Inc.-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with the James Arnold Mansion, Inc. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

#### **SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical

importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of the James Arnold Mansion, Inc.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

#### **SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The [board or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive officer (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the [board or a duly constituted committee thereof]. Disclosure involving directors should be made to the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the [board or a duly constituted committee thereof].

The [board or a duly constituted committee thereof] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the James Arnold Mansion, Inc. The decision of the [board or a duly constituted committee thereof] on these matters will rest in their sole discretion, and their concern must be the welfare of the James Arnold Mansion, Inc. and the advancement of its purpose.



**James Arnold Mansion, Inc.**

**GIFT POLICY AND DISCLOSURE FORM**

As part of its conflict of interest policy, the James Arnold Mansion, Inc requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with the James Arnold Mansion, Inc. or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

**Section 1.** “Responsible Person” is any person serving as an officer, employee or a member of the board of directors of the James Arnold Mansion, Inc.

**Section 2.** “Family Member” is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.

**Section 3.** “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to the James Arnold Mansion, Inc. is not a “contract” or “transaction.”

**Section 4.** Prohibited gifts, gratuities and entertainment. Except as approved by the Chairman of the Board or his designee or for gifts of a value less than \$50 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with the James Arnold Mansion, Inc. or,
2. Does or seeks to compete with the James Arnold Mansion, Inc. or,
3. Has received, is receiving, or is seeking to receive a Contract or

Transaction with the James Arnold Mansion, Inc.

**GIFT STATEMENT**

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date