

YMCA CAMP BELKNAP, INC.
CONFLICT OF INTEREST POLICY
(Including Pecuniary Benefit Transactions)

INTRODUCTION

It is the policy of YMCA Camp Belknap, Inc. (the "Corporation") to comply with the requirements of New Hampshire RSA 7:19, II and RSA 7:19-a in its dealings and transactions with board members and officers. In compliance with those statutes, the Corporation has adopted this Conflict of Interest Policy.

I. Conflicts of Interest Generally.

Each board member shall serve only for the charitable purposes of the Corporation, and not for other expressed or intended reasons. Board members shall avoid conflicts of interest and the appearance of conflicts of interest and shall comply with this Policy. As described below, certain transactions require specific disclosure and non-participation in board meetings, and other transactions are prohibited altogether.

Each board member and officer is obligated to submit a Conflict of Interest Disclosure Statement. The Statement (together with this Policy) shall be distributed to board members and officers prior to taking office, and shall be completed, signed and delivered by each board member and officer upon taking office, and annually thereafter and at such other dates as the circumstances may require in order to fully and fairly disclose potential conflicts of interest.

II. Pecuniary Benefit Transactions Under State Law.

1. Introduction. Pecuniary benefit transactions are prohibited, unless expressly exempt or permitted under this Policy.

2. Definitions.

- a. "Financial Interest" means an interest in a transaction exceeding \$500.00 in value for any officer or board member on an annual aggregate basis.
- b. "Fiscal Year" means the Corporation's fiscal year which commences on January 1st and ends on the immediately following December 31st.
- c. "Immediate Family" means the spouse, parents, children and spouses of children of an officer or board member and such other applicable persons as may be defined under administrative rules or otherwise.
- d. "Indirect Financial Interest" means an interest in a transaction that involves a person who is an immediate family member of an officer or director, or an entity of which an officer or board member (or member of the immediate family of an officer or board member) is a proprietor, partner, employee or officer.
- e. "Pecuniary Benefit Transaction" means a transaction with the Corporation in which an officer or board member has a direct or indirect financial interest.

3. Exempt Transactions. The following transactions are not considered Pecuniary Benefit Transactions:

- a. reasonable compensation for services of a person who serves as an executive director (or comparable position);

- b. reimbursement of expenses incurred in connection with the official duties of an officer or board member;
 - c. a benefit provided to an officer or board member, or a member of the immediate family thereof, if (i) the benefits are provided or paid as part of a program, benefit or payment to the general public; and (ii) such benefit is provided pursuant to the Corporation's written eligibility criteria as adopted in accordance with its bylaws or applicable law; and (iii) the board member, officer or immediate family member meets all such eligibility criteria;
 - d. a transaction entered into by the Corporation prior to the date the person with the conflict of interest became an officer or board member which is not completed on the date the person becomes an officer or board member; and
 - e. a transaction between the Corporation and an officer or board member involving less than \$500.00 in value on an annual aggregate basis during the fiscal year of the Corporation.
- 4. Prohibited Transactions.** The following Pecuniary Benefit Transactions are prohibited:
- a. loans of money or property to an officer or board member; and
 - b. the sale, lease (for a term of greater than 5 years), purchase or conveyance of any interest in real property to or from an officer or board member, unless approved in advance by the probate court, or unless it is a bona fide gift to the Corporation from the officer or board member.
- 5. Permitted Transactions.** Pecuniary Benefit Transactions are permitted if all of the following conditions are met:
- a. the transaction is in the best interest of the Corporation;
 - b. the transaction is for goods or services purchased or benefits provided by the Corporation in the ordinary course for reasonable, actual or discounted value;
 - c. the transaction is fair to the Corporation;
 - d. the transaction is approved by a two-thirds majority of the board (excluding the affected officer or board member, or any other officer or board member who has had a Pecuniary Benefit Transaction (which is not exempt or permitted) with the Corporation in the same fiscal year) after notice of the transaction to and full discussion by the board in the absence of the involved officer or board member and others who have had a Pecuniary Benefit Transaction (which is not exempt or permitted) in the same fiscal year;
 - e. the minutes of the meeting report in detail the discussion and record the action taken;
 - f. the Corporation maintains a list of the Pecuniary Benefit Transactions and reports such transactions to the Director of Charitable Trusts with its annual report; and
 - g. if the transaction, singly or when aggregated with other transactions involving the same officer or board member in the same fiscal year, amounts to \$5,000.00 or more, newspaper publication and notice to the Director of Charitable Trusts is provided before consummating the transaction, said notice stating, at a minimum, the Corporation's name, the name of the officer or board member, the nature of the transaction, and the specific dollar amount at issue.

6. **Record and Filing.** The Corporation shall keep records of all board meetings at which Pecuniary Benefit Transactions are discussed and shall compile a list of all such transactions which are approved. The list shall be filed by the Corporation with its annual report to the Director of Charitable Trusts.
7. **Duty to Report.** Any officer or board member who believes he or she is involved in a Pecuniary Benefit Transaction (which is not exempt or permitted) shall promptly bring this to the attention of the executive director (or comparable position) and the chairperson of the board. This applies to direct or indirect involvement through an immediate family member or a business of which the officer or board member (or an immediate family member) is an owner, officer, director or employee.

III. Excess Benefit Transactions Under Federal Law.

Federal law and regulations prohibit transactions between the Corporation and persons with substantial influence over the Corporation (“disqualified persons”), in which the disqualified person, directly or indirectly, receives an economic benefit in excess of the value of the product or service provided (an “excess benefit transaction”). Board members shall exercise reasonable care to assure that no excess benefit transactions are permitted and to comply in all other respects with the applicable law and regulations.

IV. Statutory Requirements.

The statutory requirements dealing with Pecuniary Benefits Transactions (NH RSA 7:19-a) and excess benefit transactions (IRC §4958) are incorporated in full herein by reference and made a part of this Conflict of Interest Policy. **A copy of the statutes is attached hereto.** Each board member and officer of the Corporation is obligated to familiarize himself or herself with the statutory requirements.

V. Procedural Summary.

1. **Duty to Disclose.** Each board member and officer, prior to taking office, and all present board members and officers shall submit in writing to the chairperson of the board and executive director (or comparable position) a list of all businesses or other organizations of which he or she is an officer, director, trustee, member, owner (either as a sole proprietor or partner), shareholder, employee or agent, with which the Corporation has, or might reasonably in the future enter into, a relationship or a transaction in which the board member has, or will have, conflicting interests. The chairperson of the board shall be familiar with the statements of all board members and officers in order to guide his or her conduct should a conflict arise. This duty to disclose shall be continuing and updated annually and whenever the circumstances warrant.
2. **Voting.** At such time as any covered Pecuniary Benefit Transaction matter comes before the board, the affected board member shall make known the potential conflict, whether or not disclosed in his or her written statement, and after answering any questions that might be asked of him or her, shall withdraw from the meeting for so long as the matter shall continue under discussion. In addition, other board members, who themselves have had Pecuniary Benefit Transactions (which are not exempt or permitted) with the Corporation within the same fiscal year, shall not participate in the discussion and shall withdraw. Should the matter be brought to a vote, neither the affected board member nor any other board member with a Pecuniary Benefit Transaction (which is not exempt or permitted) with the Corporation in the same fiscal year shall vote on it. The board will comply with all the statutory requirements of applicable law where conflicts of interest are involved, including but not limited to the requirement of a two-thirds vote where the financial benefit to a board member is between \$500.00 and \$5,000.00 in a fiscal year, and the requirement of a two-thirds vote and publication in the required newspaper where the financial benefit exceeds \$5,000.00 in a fiscal year.