



*A Partner for Nonprofit Innovation, Efficiency and Accountability*

## **Conflict of Interest Policy**

The board of directors of Colorado Nonprofit Development Center (CNDC) has adopted the following policy designed to avoid any possible conflict between the personal interest of board members or staff and the interests of CNDC.

The purpose of this policy is to ensure that decisions about CNDC operations and the use or disposition of CNDC assets are made solely in terms of the benefits to CNDC and are not influenced by any private profit or other personal benefit to the individuals affiliated with CNDC who participate in the decision. In addition to actual conflicts of interest, board members and staff are also obliged to avoid actions that could be perceived or interpreted to be in conflict with CNDC's interest.

Conflicts of interest may occur when CNDC enters into transaction with nonprofit organizations as well as those that are undertaken with profit making entities. The best way to deal with this problem is to make known one's connection with organizations doing business with CNDC and to refrain from participation in CNDC's decisions affecting transactions between CNDC and the other organization. Such relationships do not necessarily restrict transactions so long as the relationship is clearly divulged, and non-involved individuals affiliated with CNDC make any necessary decisions.

1.) **Directors:** Any member of the board of directors who may be involved in CNDC business transaction in which there is a possible conflict of interest shall promptly notify the Chair of the board of directors (board). The board member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The board member's presence may not be counted in determining the quorum for any vote with respect to CNDC business transaction in which he or she has a possible conflict of interest. Furthermore, the board member, or the Chair in the director's absence, shall disclose a potential conflict of interest to the other members of the board before any vote on CNDC business transaction and such disclosure shall be recorded in the board minutes of the meeting at which it is made. Any CNDC business transaction, which involves a potential conflict of interest with a member of the board of directors, shall have terms that are at least as fair and reasonable.

2.) **Staff:** Any staff member who may be involved in CNDC business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the President & CEO. If the possible conflict involves the President & CEO, the possible conflict shall then be reported to the Chair of the board.

The President & CEO or, where applicable, Chair, after receiving information about a possible conflict of interest, shall take such action as is necessary to assure that the transaction is completed in the best interest of CNDC without the substantive involvement of the person who has the possible conflict of interest. This does not mean that the purchase or other transaction must necessarily be diverted, but simply that persons other than the one with the possible conflict shall make the judgments involved for CNDC and shall control the transaction for CNDC.

Each board member and executive staff member shall complete the questionnaire below on an annual basis.

A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the President & CEO, or, where applicable, Chair.

1.) Definitions:

**"Involved in CNDC business transaction"** means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from CNDC accounts. That language is intended to include not only transactions for CNDC's procurement of goods and services, but also for the disposition of CNDC property, and the provision of services or space by CNDC.

A **"possible conflict of interest"** is deemed to exist when a director, staff member, or a close relative, or a member of that person's household, is an officer, director, employee, proprietary, partner, or board member of, or when aggregated with close relatives and members of that person's household, holds an equity interest of 1% or more in the organization seeking to do business with CNDC. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractor by an organization which seeks to do business with the CNDC, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household.

A **"possible conflict of interest"** exists when an individual affiliated with CNDC has an interest in an organization which is in competition with a firm seeking to do business with CNDC if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.

A **"possible conflict of interest"** also exists when an individual affiliated with CNDC is a board member, director, officer, or employee of a nonprofit organization which is seeking to do business with or have a significant connection with CNDC or is engaged in activities which could be said in a business contest to be "in competition with" the programs of CNDC.

The policy statement shall be made available to each board member and each person appointed to a CNDC position that regularly involves initiation, review, or approval of significant CNDC contracts or other commitments. Such people will be asked to sign the attached acknowledgement concerning reporting of potential conflicts of interest.

I have read and understand CNDC's Conflict of Interest policy. I agree to report promptly any such interest that arises in my conduct of CNDC business in other respects, to comply with the policy and its procedures.

Signed: \_\_\_\_\_

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

Approved by the Board of Directors on August 2, 2009. Updated September 13, 2021.

## Conflict of Interest Questionnaire

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Name

Date

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Office or Position Held

In responding to these questions, please note that a "yes" answer does not imply that the relationship or transaction was necessarily inappropriate.

1. Are you and officer or director of an entity that receives payments from CNDC

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is "yes", please list the names of entities, the office held, and the approximate dollar amount of business involved with CNDC for the last year.

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2. Do you, or does any member of your *family* (as described below), have a *financial interest* (as defined below) in, or receive any remuneration or income from, any business organization with which CNDC has business dealings?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is "yes", please supply the following information:

- a. Names of business organizations in which such interest is held and the person(s) by whom such interest is held:

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- b. Nature and amount of each such financial interest, remuneration, or income:

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3. Did you, or any member of your family, receive during the past twelve months any gifts or loans from any source from which CNDC buys goods or services or with which CNDC has significant business dealings?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is "yes", list such gifts or loans as follows:

NAME OF SOURCE	ITEM	APPROXIMATE VALUE
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Were you involved in any other activity during the past year that might be interpreted as a possible conflict of interest?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "yes", please describe:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I certify that the forgoing information is true and complete to the best of my knowledge.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Definitions**

Financial Interest – a person has a financial interest if the person has, directly or indirectly, through business, investment, or their spouse or domestic partner:

1. An ownership or investment interest, greater than 1%, in any entity with which CNDC has a transaction or arrangement.
2. A compensation arrangement with any entity or individual with which CNDC has a transaction or arrangement; and/or
3. An ownership or investment interest in, or compensation arrangement with, any entity or individual with which CNDC is negotiating a transaction or arrangement.