

CONFLICT OF INTEREST POLICY
FOR THE OFFICERS, DIRECTORS & TRUSTEES
OF
YMCA BUFFALO NIAGARA

ARTICLE I

PURPOSE

The purpose of this conflict of interest policy is to protect this tax-exempt organization's ("Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or trustee of the Organization, or might result in a possible excess benefit transaction. Further, the purpose of this conflict of interest policy is to prevent situations where the personal interest of an officer, director or trustee of the Organization is placed in conflict with the interests of the Organization. This policy is intended to supplement, but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II

DEFINITIONS

1. Interested Person

Any officer, director or trustee who has a direct or indirect interest, as defined below, is an interested person.

2. Financial Or Other Possible Interest That May Lead to Conflict of Interest

A person has a financial or other possible interest that may lead to a conflict of interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement other than an ownership or investment interest of less than five percent (5%) of the number of securities outstanding of any securities which are listed for trading on any securities exchange,
- b. A compensation arrangement with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or

arrangement other than a potential ownership or investment interest of less than five percent (5%) of the number of securities outstanding of any securities which are listed for trading on any securities exchange

d. Disclosed or intends to disclose or use confidential information concerning the Organization or its activities for personal profit or advantage.

e. Participated or intends to participate as an officer, director, trustee, agent or representative of another entity which in any manner is adverse to the Organization.

f. Accepts gifts or favors from any source which in any manner interacts with, or is a competitor of, the Organization under circumstances which reasonably imply that such action is to influence.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

An interest, as described above, is not necessarily a conflict of interest. Under Article III, Section 2, a person who has an interest as described above, may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

ARTICLE III

PROCEDURES

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Board of Directors. Further, any member of the Organization with knowledge, must notify the Board of Directors of any suspected conflict of interest.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board of Directors meeting while the determination of the possible conflict of interest is voted upon. The remaining Board members shall decide if a conflict of interest exists. The interested person shall not be counted in determining whether a quorum is present to enable the Board of Directors to act.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board of Directors meeting, but after the presentation, he or she shall leave the meeting during the vote on the transaction or arrangement involving the possible conflict of interest.

- b. The chairperson of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors shall determine whether the transaction or arrangement is fair and reasonable to the Organization at the time the transaction or arrangement is authorized.
- d. The Board of Directors shall determine by a majority vote of disinterested members whether the transaction or arrangement is fair and reasonable to the Organization at the time it is authorized. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If, after making further investigation as warranted by the circumstances, the Board of Directors determine a person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

RECORDS OF PROCEEDINGS

The minutes of the Board of Directors and all committees with board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V

COMPENSATION

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation, directly or indirectly from the Organization, individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

ANNUAL STATEMENTS

Each officer, director and trustee shall annually sign a statement, in substantially the same form as attached Schedule A, which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is not-for-profit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII

PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with its not-for-profit status purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether its transactions or arrangements are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further not-for-profit purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII

USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

SCHEDULE A FOR OFFICERS, DIRECTORS & TRUSTEES .

I, _____, have received, read and understand this policy. I agreed to comply with this policy and understand that the YMCA Buffalo Niagara, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes. I am disclosing the following potential and/or actual Conflicts of Interest:

Nature of Conflict(s) (Describe circumstances and why it may be a conflict.)

Name (print): _____

Signature: _____

Date: _____