

SEMAC Conflict of Interest Policy

Purpose & Scope: SEMAC encourages the active involvement of its directors, officers, advisory panelists, and employees in the community. In order to deal openly and fairly with actual conflicts and/or the appearance of conflict that may arise as a consequence of this involvement, SEMAC adopts the following conflict of interest policy. This policy is intended to supplement, but not replace, Minnesota Statutes, Section 317A.255, which governs conflicts of interest for directors of nonprofit corporations. This policy applies to all directors of the board, advisory panelists, and persons employed (both paid and non-paid) by SEMAC, regardless of position.

Responsibility: SEMAC is effective because it includes individuals who have relationships and affiliations throughout the region that may, at times, raise questions about perceived conflicts of interest. Everyone who serves SEMAC has the responsibility to ensure that the entire board is made aware of situations that involve personal, familial, or business relationships that could create a real or perceived conflict of interest. Therefore, SEMAC requires that each director, panelist, and employee (a) to be familiar with the terms of this policy; (b) to disclose to the board any possible personal, familial, or business relationships that reasonably might give rise to a conflict involving SEMAC; and (c) to acknowledge by his or her signature that he or she is in accordance with the letter and spirit of this policy.

Disclosure Statement: Each director, panelist, and employee of SEMAC will be required to submit an annual disclosure statement listing all organizations with which s/he has a personal affiliation or feels unduly biased. The statement should describe the nature of the affiliation as defined below. Appearances of conflict include significant adversarial or advocate relationships in which impartial judgment may be impaired. At the time of disclosure a member should declare any conflicts that have occurred within two years prior to the submission date. These conflicts will continue for two years once declared. In the event there is a material change in the information contained in a disclosure statement, written notification must be promptly submitted to the Executive Director.

A conflict of interest exists if a director or advisory panelist:

- Receives direct financial benefit from the organization or project being reviewed.
- Serves as an employee or governing board member of an applicant organization.
- Serves with or without pay as a consultant to an applicant, or on the application being reviewed.
- Has a familial, adversarial, or significant advocate relationship with an applicant or a staff or board member of an applicant organization.
- Receives free tickets or other benefits **directly** from a grant applicant being reviewed. NOTE: It is permissible for the SEMAC office to receive tickets or other arrangements from a funded grant for distribution to board and panelists.

This policy does not imply that directors, panelists, or employees should reveal any political, religious, ethnic, fraternal, or civic affiliations.

Administration: The SEMAC board president and Executive Director, working together, have the authority to review and determine the existence and affect of a conflict of interest. This determination shall be brought to the attention of the full board. Members acting in violation of the rules will be asked to resign. Information disclosed under this policy will be held in confidence except where, in the judgment of the board, the best interest of the organization requires further disclosure.

Restraint on Participation: A director, panelist, or employee who has declared or has been found to have a conflict of interest in any proposed transaction or other matter involving SEMAC will refrain from participating in consideration of the proposed transaction or other matter, unless for special reasons the board requests information or interpretation from the person or persons involved. Furthermore, a director or panelist will not vote on the matter in question and will not be present at the time of the vote.

Advance Determinations: Any director, panelist, or employee who is uncertain about possible conflicts of interest in any matter may request the board to determine whether a possible conflict exists; the board shall resolve the question by majority vote.