

Workshop B12: Accreditation Requirements
Friday, September 15
Rally 2022 – New Orleans, LA

Exercise 2: Conflict of Interest Policy

The *Requirements Manual* includes requirements for two governance policies: conflict of interest and recordkeeping. Review the requirements and the example policy below. Imagine that you are a land trust getting ready for accreditation. You are reviewing your land trust's documents to decide if any updates need to be made. Working with a person next to you, answer the discussion questions and be prepared to share your findings.

Requirements

V. Conflicts of Interest and Other Policies ^{2C1(b), 4A1, 4A2, 9G1}

1. **Records policy covers organization, transaction and stewardship records?**
(?Related records are also addressed in "Transactions: Recordkeeping" and "Stewardship: Conservation Easement Stewardship Records.")
2. **Conflict of interest policy:**
 - a. **Applies to all insiders?**
(?Board members; staff (if any); substantial contributors; parties related to board members, staff and substantial contributors; those who have ability to influence the decisions of the land trust; those with access to information not available to the general public.)
 - b. **Addresses how conflicts are identified and avoided or managed**
3. Meeting minutes or other records document conflicted party absent for the vote.
4. **Transactions with insiders appropriately managed so they do not result in private inurement.**

CONFLICT OF INTEREST POLICY

To encourage trustworthy decision-making and prudent behavior on the part of all those associated with Green Acres Land Trust, the board of directors hereby adopts the following policy regarding conflict of interest.

INTRODUCTION

Green Acres Land Trust's effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the communities it serves and all parties with whom it works. It is essential to protect the organization's reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential, and perceived conflicts of interest.

All persons associated with Green Acres Land Trust are reminded that the decisions and activities of the board of directors and staff, whether or not addressed in this policy, are governed by an overriding requirement of honesty, good faith and fiduciary responsibility for the organization and to the communities it serves.

DEFINITION OF CONFLICT OF INTEREST

A conflict of interest exists when a covered person (as defined below) has a material financial interest in a transaction or project under consideration by the board of directors or a committee of Green Acres Land Trust or when that person proposes to act on any issue, matter or transaction in which Green Acres Land Trust has an interest and in which the covered person may have an interest separate from that of Green Acres Land Trust. A conflict of interest may also exist in situations in which there is an appearance that a covered person is utilizing, for his or her own benefit, inside information that is proprietary to Green Acres Land Trust, is acting in his or her own interests rather than the best interests of Green Acres Land Trust, has the ability to exercise undue influence over Green Acres Land Trust's decisions, or is receiving favorable treatment by Green Acres Land Trust because of his or her status as a covered person.

COVERED PERSONS

This policy applies to all employees, board members, members of board or advisory committees, major donors (individuals, corporations or foundations who make a gift or a pledge of \$5,000 or more at any one time or \$10,000 or more within a five-year period) and individuals, such as volunteers or former employees who, by virtue of their continued involvement with Green Acres Land Trust, either have access to inside information that could place them in a conflicted situation or could give the appearance of having the ability to unduly influence Green Acres Land Trust. The policy also applies to close relatives of employees and board members, including a spouse, domestic partner, child, sibling, parent, stepparent, parent- or 2 sibling-in-law, grandchild, or grandparent.

GENERAL GUIDELINES

All persons shall avoid conflict of interest involving their duties to Green Acres Land Trust and any other interest or organization to which they have a duty or any other activity in which they are financially or otherwise interested. It is expected that persons subject to this policy will conduct themselves under strict rules of honesty and fair dealing between themselves and Green Acres Land Trust. Such persons shall not use their position or knowledge gained during their association with Green Acres Land Trust for their private benefit nor to obtain an unfair advantage over any aspect of their dealings with Green Acres Land Trust.

OBLIGATIONS OF COVERED PERSONS

Board members, advisory board and committee members, employees and contractors are obliged:

1. To disclose to the board, executive director, or committee of the board on which they serve the existence of any actual, potential, or perceived conflict of interest.

2. To abstain from discussing with board members, employees, or committee members any issue, matter, or transaction in which they have an actual, potential, or perceived conflict of interest, unless specifically asked by the board or a board committee to give information on the issue, matter or transaction.
3. To absent themselves from board and committee discussions on any issue, matter or transaction involving a conflict of interest, unless requested by the board or committee to give information on the issue, matter, or transaction.
4. To absent themselves during voting on any such issue, matter, or transaction.
5. In the case of conflicted members of the board, advisory board, or committees: When requested by the board, to resign from the board of directors, advisory board, or committee until such time as the matter giving rise to the conflict of interest has been resolved. When, in the opinion of the board president, the matter has been sufficiently resolved, the conflicted person may be invited to rejoin the board, advisory board or committee.

OBLIGATIONS OF THE BOARD IN CONFLICTED SITUATIONS

When a transaction, contract or project of Green Acres Land Trust involves an actual, potential, or perceived conflict of interest with a covered person, the board shall act as follows:

1. Approve such transaction, contract, or project only after making specific findings that:
 - i. The transaction, contract or project is fair and benefits Green Acres Land Trust and its objectives
 - ii. The transaction, contract or project is approved with the board's full knowledge of its financial or other benefit to the covered person who has the conflict of interest
 - iii. When the covered person is a director, the director did not participate in the vote approving the transaction, contract or project and was, in fact, absent both during the discussion of the transaction, contract or project and when the board voted on it
 - iv. A more advantageous arrangement could not have been obtained with reasonable effort
2. When warranted by the nature and magnitude of the conflict of interest, request that a conflicted member of the board of directors, advisory board or other committee resign.
3. In the case of an irresolvable conflict of interest involving a staff member, the board may decide to place the staff member on administrative leave or terminate the staff member's employment, in accordance with Green Acres Land Trust's personnel policies.
4. Action taken by the board to manage a conflict of interest shall be recorded in the board minutes or memorialized in a board resolution.

This policy adopted by the Green Acres Land Trust board of directors on September 5, 2014.

Discussion Questions

1. Does the policy meet the accreditation requirements?

2. If not...
 - a. What do you think is missing?

 - b. And what would you do next?