

Central Vermont Runners

Conflict of Interest Policy

Article I – Purpose

The purpose of this conflict of interest policy is to protect Central Vermont Runners (CVR) interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or member of CVR or might result in a possible excess benefit transaction.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II – Definitions

Interested person – Any director, principal, officer or member of a committee with governing board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Financial interest – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- ! An ownership or investment interest in any entity with which CVR has a transaction or arrangement,
- ! A compensation arrangement with CVR or with any entity or individual with which CVR has a transaction or arrangement, or
- ! A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CVR is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Committee decides that a conflict of interest exists, in accordance with this policy.

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 financial interest and be given the opportunity to disclose all material facts to the Executive Committee.
2. **Recusal of Self** – Any director or officer may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. **Determining Whether a Conflict of Interest Exists** – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the meeting or discussion, while the determination of a conflict of interest is discussed and voted upon. The remaining meeting members shall decide if a conflict of interest exists.
4. **Procedures for Addressing the Conflict of Interest**
 - a. An interested person may make a presentation at the Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The Chairperson of the Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Executive Committee shall determine whether CVR can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonable possible under circumstances not producing a conflict of interest, the Executive Committee shall determine by a majority vote of the disinterested officers whether the transaction or arrangement is in CVR's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
5. **Violations of the Conflicts of Interest Policy**
 - a. If the Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If after hearing the member's response and after making further investigation as warranted by the circumstances, the Executive Committee determines the member 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 regularly held CVR meetings shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with any actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present and the Executive Committee's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of the vote, i.e. approved or not approved.

Article V – Compensation

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

Article V – Annual Statements

1. Each elected officer of CVR shall annually sign a statement 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 CVR is charitable 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
2. If at any time during the year, the information in the annual statement changes materially, the officer shall disclose such changes and revise the annual disclosure form
3. The executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.