

GEORGES RIVER LAND TRUST
CONFLICT OF INTEREST POLICY

*Adopted by the Board of Directors, January 27, 2005,
Amended by the Board of Directors, March 29, 2011
Amended by the Board of Directors, April 10, 2012*

I. PURPOSE OF THE POLICY

It is the policy of the Georges River Land Trust (GRLT) to identify actual, potential, and perceived conflicts of interest involving GRLT and persons covered by this policy, and to address such conflicts in a transparent manner that ensures a fair outcome for GRLT and preserves the integrity of all persons involved.

II. DEFINITION

An actual conflict of interest occurs when a person of responsibility or influence in GRLT has a material financial or personal interest in a project or transaction under consideration by the Board of Directors of GRLT or any of its committees, or such person engages in any activity or relationship with GRLT that results in excessive compensation or benefit due to their association with GRLT. A possible conflict of interest occurs when there is potential for a conflict of interest to exist or develop in the future or a conflict of interest may be perceived to exist.

III. PERSONS COVERED BY THE POLICY

The policy applies to persons of responsibility or influence in GRLT. For the purposes of this policy this includes: Directors on the Board, members of GRLT committees, staff, substantial contributors, and other related parties including spouse, siblings, children and others as defined by the IRS as “insiders”, who have an ability to influence decisions of the GRLT or to have information not generally available to the public. For the purposes of this policy, such persons are referred to as “Covered Persons.”

IV. PROCEDURES: DISCLOSE. DISCUSS. DECIDE. DOCUMENT.

A. Duty to Disclose. Each Covered Person has the responsibility and obligation to disclose an actual or possible conflict of interest at the earliest possible instance. Such person shall be given the opportunity to disclose all material facts to the directors, committee members, or staff considering the proposed transaction or project. In the case of new land projects under consideration, staff will notify the Board of the project at a Board meeting, disclose the location and parties involved, and specifically ask if there are any known actual or possible conflicts of interest.

B. Determining Whether a Conflict of Interest Exists. After disclosure of an actual or possible conflict of interest and all material facts, after making such further investigation as may be warranted in the circumstances, and after any discussion with the Covered Person, the disinterested Board or committee members, or staff supervisor, with advice from the President and legal counsel in the case of a staff person with an actual or possible conflict of interest, shall decide if a conflict of interest exists.

C. Consideration Notwithstanding Existence of Conflict of Interest. The determination that a conflict of interest exists shall not preclude the disinterested board or committee members or staff supervisor (other than the Covered Person) from considering, evaluating, recommending, or

approving the project or transaction. Such a project or transaction may ultimately be approved only if the Board makes specific findings that:

- the project or transaction benefits GRLT and is consistent with its mission;
- any financial transaction involved is fair to GRLT;
- the Covered Person who has the conflict has fulfilled all of the obligations concerning disclosure and conduct outlined in this policy.
- all Board or committee members have been fully informed of the conflict of interest before voting on the project or transaction; and
- the Covered Person in question was not present when the Board or committee voted on the project.

D. Violations of the Conflicts of Interest Policy. Failure to identify an actual or possible conflict of interest at the time a transaction or arrangement is being considered, approved or implemented shall not automatically void the transaction or arrangement.

- If the Board, committee, or staff supervisor has reasonable cause to believe that a Covered Person has failed to disclose an actual or possible conflicts of interest, it shall inform the Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose.
- If, after hearing the response of the Covered Person and making such further investigation as may be warranted in the circumstances, the Board, committee, or staff supervisor determines that the Covered Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Corrective action shall include retroactively following the procedures of this Section IV as soon as an actual or possible conflict of interest is identified to determine whether to continue with approval and implementation of the transaction or arrangement.

E. Records of Proceedings. The minutes of all meetings of the Board or its committees where an actual or possible conflict of interest is disclosed or discussed shall document the discussion, decision, and any recommended actions.

For any disclosed conflict of interest, an oral announcement shall be made at the Board or committee meeting in which the project or transaction is under consideration and such announcement shall be duly recorded in the minutes of the meeting.

When a staff supervisor makes a decision regarding an actual or possible conflict of interest that involves a staff person, intern, or regular volunteer, he or she shall submit a written report of the decision to the Executive Committee and legal counsel including the nature of the conflict and any relevant information used to determine that the decision was fair and protected the interests of GRLT, including any alternatives to the transaction or project that were considered.

V. DIRECTORS, STAFF, AND COVERED PERSONS RESPONSIBILITY

Directors and staff shall avoid any actual or possible conflict of interest involving their material financial and personal interests, including the interests of any family members and close associates, which may arise because of actions being considered by GRLT.

They have a fiduciary responsibility to act in good faith and in a manner reasonably believed to be in the best interests of GRLT in all decisions and actions undertaken on behalf of GRLT.

They have the responsibility to administer the affairs of GRLT honestly and prudently, using their best care, skill and judgment in caring out their responsibilities for the sole benefit of GRLT.

It is the responsibility of the Board to determine if a potential or perceived conflict of interest constitutes an actual conflict of interest.

A. Covered Person's Responsibility. If a transaction or project of GRLT involves an actual or possible conflict of interest by a Covered Person, that person is obligated to:

- Disclose the existence of any actual or possible conflict of interest regarding a project or transaction under consideration by GRLT;
- Abstain from discussing any issue related to a project or transaction in which an actual or possible conflict of interest is involved, unless specifically requested by the Board or Committee to participate;
- Absent himself or herself from Board or Committee discussions on any such project or transactions involving an actual or possible conflict of interest, unless specifically requested by the Board or committee to participate;
- In the case of a Board or committee member, to abstain from voting on any issue pertaining to such a project or transaction or in the case of a staff, to be absent from the voting process;
- In the case of a Board member, to take a temporary leave from the Board while the project or transaction is under consideration, if requested by the Board to do so.

B. Board's Responsibility. If a transaction or project of GRLT involves an actual or possible conflict of interest by a Covered Person, the Board is obligated to:

- Request that the Covered Person excuse himself or herself from discussions of the transaction or project under consideration, except to answer questions of information when determined necessary by the Board to do so;
- Request that the Board member excuse himself or herself from voting on the transaction or project under discussion, and in the case of another Covered Person, that they be absent from the voting process;
- If deemed necessary by the circumstances to avoid any appearance of conflict of interest, the Board shall request that the Board member take a leave of absence from the Board while the transaction or project is under discussion.

VI. RELATED POLICIES

A. Directors do not serve for personal financial interest and are not compensated except in limited circumstances for professional services that would otherwise be contracted out. The Board President and Treasurer are never compensated for professional services.

B. The contracting for any professional or other services with which a Board member may be related must be widely researched and the reasons documented for the decision to use the services of the Board member in question.

C. Covered Persons may not receive excessive compensation or benefit from their employment or association with GRLT, because such arrangements constitute private inurement, which is prohibited and would contravene the mission of GRLT.

D. When engaging in land and easement transactions with Covered Persons, GRLT shall: (1) follow the conflict of interest policy and any other policies, practices or procedures applicable to such transactions, including reviewing against acceptance criteria and conducting a baseline site review; (2) document that the project is consistent with the land trust's mission; and (3) ensure that a Covered Person does not receive excessive compensation or pay less than fair market value as part of the transaction.

For land purchases and sales to Covered Persons, GRLT will obtain a qualified independent appraisal prepared in compliance with the Uniform Standards of Professional Appraisal Practice by a Maine-certified appraiser who has verifiable conservation easement or conservation real estate experience.

When selling land to Covered Persons, GRLT widely markets property in a manner sufficient to ensure that the property is sold at or above fair market value and to avoid the reality or perception that the sale inappropriately benefited a Covered Person. In this context, "widely markets" includes, but is not limited to: publishing in at least three public sources and listing with a real estate agent.

VII. REVIEW AND ACKNOWLEDGEMENT OF POLICY

Annually, Directors and employees of GRLT will review this Conflict of Interest Policy to remind them of their obligations in the event of an actual or possible conflict of interest.

Each Board member and employee shall sign an acknowledgement of the Conflict of Interest Policy (see attached), affirming that such person:

- has received a copy of the Conflict of Interest Policy
- has read and understands the policy
- has agreed to comply with the policy
- has disclosed any relationships, outside commitment interests or situations involving themselves or a family member which might result in or appear to be an actual, apparent or potential conflict of interest between such family members or myself on one hand and GRLT on the other, and
- understands that GRLT is a charitable tax-exempt organization, and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes, and avoid private inurement and impermissible private benefit.

Georges River Land Trust
Conflict-of-Interest Disclosure Statement For Calendar Year _____

To be completed annually by every Director, Officer, and administrator and retained by the Secretary or his/her designee.

Please complete Items A and B, and sign and date the statement and return it to the President of the Board.

A. I disclose the following (if any) are relationships, outside commitment interests or situations involving me or a family member which I consider might result in or appear to be an actual or possible Conflict of Interest between such family members or myself on one hand and the Georges River Land Trust on the other (please indicate N/A for each category if none):

For-profit corporate directorships, positions, and employment:

Nonprofit volunteer or paid positions:

Memberships in the following organizations:

Contracts, business activities and investments with or in the following organizations:

Other relationships and activities:

B. My primary occupation at this time is:

I have read and understand the GRLT Conflict of Interest Policy and agree to be bound by it. I will promptly inform the Board President of the GRLT of any material change that develops in the information contained in the foregoing statement. I understand that the GRLT is a charitable organization 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.

Name

Signature

Date