

# CONFLICT OF INTEREST POLICY

## READING COMPANY TECHNICAL AND HISTORICAL SOCIETY

The RCT&HS recognizes that its board members and volunteers enjoy both professional and private lives and may associate with others for a variety of economic, religious, political, cultural, or personal reasons. The RCT&HS, however, has a responsibility to evaluate its volunteers in terms of their faithfulness to, and effectiveness in, discharging their duties and responsibilities. Therefore, when activities threaten a board member's or volunteer's effectiveness within the system or create competition with RCT&HS purposes, the RCT&HS reserves the right to evaluate the impact of such upon the volunteer's responsibilities to the RCT&HS for the purposes of detecting conflicts of interest.

A conflict of interest is defined as an actual or perceived interest by a volunteer in an action that results in, or has the appearance of resulting in, personal, organizational, or professional gain. RCT&HS board members and volunteers are obligated to always act in the best interest of the organization. This obligation requires that any board member or volunteer, in the performance of organization duties and/or activities, seek only the furtherance of the organization mission. At all times, board members and volunteers are prohibited from using their professional job title or the organization's name, equipment, or property for private profit or benefit.

RCT&HS board members and volunteers should neither solicit nor accept gratuities, favors, or anything of monetary value from contractors/vendors except as described in the RCT&HS code of ethics policy. This is not intended to preclude bona-fide RCT&HS fundraising activities.

No RCT&HS board member or volunteer shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his or her knowledge, any of the following has a financial interest in that purchase or contract:

- The RCT&HS board member or volunteer;
- Any member of his or her immediate family;
- A company, corporation, or organization in which any of the above is an officer, director, or employee in an administrative, supervisory, or management role;
- A person, company, corporation, or organization with whom any of the above individuals is negotiating or has an arrangement concerning prospective employment.

**Disclosure** - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of a material interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

### **Determining Whether a Conflict of Interest Exists**

After disclosure of the material interest and all material facts, and after any discussion with the interested person, he/she shall leave the board meeting while the determination of a conflict of interest

is discussed and voted upon. A majority of the disinterested board members shall decide if a conflict of interest exists.

#### **Procedures for Addressing the Conflict of Interest**

- a.** An interested person may make a presentation at the board 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 board 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 shall determine whether the RCT&HS 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 reasonably possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the RCT&HS, 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. The disinterested directors shall constitute a quorum.

**Record of Conflict** - The official minutes of the RCT&HS shall reflect that the conflict of interest was disclosed and the interested person(s) did not participate in the final discussion and did not vote on the matter.

#### **Annual Statement**

At the January meeting of the board of directors each year, the conflict of interest policy compliance statement must be signed by all members of the board. A new member of the board will sign the statement at the time of assuming his/her position.

Adopted February 7, 2012