

**Reviewed and approved by the Texas Capital Bridge Association /
Unit 207 Board of Directors on 18Mar2021 –**

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**Texas Capital Bridge Association / Unit 207
Conflict of Interest Policy and Annual Statement
for Members of the Board of Directors
and Members of a Committee with Board Delegated Powers**

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Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Texas Capital Bridge Association/Unit 207) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of Texas Capital Bridge Association/Unit 207 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 conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. 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.

2. Financial Interest

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

- a.** An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b.** A compensation arrangement with Texas Capital Bridge Association/Unit 207 or with any entity or individual with which Texas Capital Bridge Association/Unit 207 has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Texas Capital Bridge Association/Unit 207 is negotiating a transaction or arrangement.
- d.** 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. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Nonfinancial interest

A person may have a nonfinancial interest that might influence an officer's, director's, or committee member's participation or vote in an action of the officer's, director's, or committee member's duties when:

- a. The person's relationship as an unpaid officer, director, committee member, or volunteer of an organization may be affected, directly or indirectly, by action to be taken, or not taken, by Texas Capital Bridge Association/Unit 207
- b. The person's political, religious, friendship, or personal relationships may be affected by an action to be taken, or not taken, by Texas Capital Bridge Association/Unit 207.

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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Disclosure of Nonfinancial Interests

Directors shall disclose nonfinancial interests generally in their annual statement, and specifically as individual interests arise. Nonfinancial interests are expected and shall not be reviewed unless a Board member (including the affected member) requests that the interest be reviewed under the Conflict of Interest Policy.

3. Recusal of Self

Any director 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

4. 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 governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

5. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or 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 president or vice-president of the governing board or committee chairperson shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether Texas Capital Bridge Association/Unit 207 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 isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Texas Capital Bridge Association/Unit 207'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.

4. Violations of the Conflict of Interest Policy

If the governing board or 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.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or 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 governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from Texas Capital Bridge Association/Unit 207 for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Texas Capital Bridge Association/Unit 207 for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Texas Capital Bridge Association/Unit 207, either individually or

collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

1. Each officer, director, and member of a committee with governing board delegated powers 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 Texas Capital Bridge Association/Unit 207 is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.
2. Each voting member of the Board shall annually sign a statement which declares whether such person is an independent director.
3. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
4. The Board of Directors 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.

Article VII

Periodic Reviews

To ensure Texas Capital Bridge Association/Unit 207 operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to Texas Capital Bridge Association/Unit 207's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews, as provided for in Article VII, Texas Capital Bridge Association/Unit 207 may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**Board of Directors and Members of a Committee with Board Delegated Powers Annual
Conflict of Interest Statement**

1. Name (Print): _____

2. Are you a member in Good Standing of Texas Capital Bridge Association/Unit 207? **Yes No**

3. Position:

• Are you a voting Director? **Yes No**

• Are you an Officer? **Yes No**

If you are an Officer, which Officer position do you hold: _____

• Are you a Unit Member with Board Delegated Powers? **Yes No**

If so, in what capacity? _____

4. I affirm the following:

• I have received a copy of Texas Capital Bridge Association/Unit 207's Conflict of Interest Policy. _____ (initial)

• I have read and understand the Conflict of Interest Policy. _____ (initial)

• I agree to comply with the Conflict of Interest Policy. _____ (initial)

• I have reviewed the Board Member Job Description. _____ (initial)

• I understand that Texas Capital Bridge Association/Unit 207 is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____ (initial)

5. Disclosures:

• Do you have a financial interest (current or potential), including a compensation arrangement or ownership interest, as defined in the Conflict of Interest policy with Texas Capital Bridge Association/Unit 207 or its affiliated bridge organizations? **Yes No**

a. If Yes, please describe it:

b. If Yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? **Yes No**

• In the past, have you had a financial interest, including a compensation arrangement or ownership interest, as defined in the Conflict of Interest policy with Texas Capital Bridge Association/Unit 207 or its affiliated bridge organizations? **Yes No**

a. If Yes, please describe it, including when (approximately):

b. If Yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? **Yes No**

SIGNATURE

DATE