

Habitat for Humanity of East & Central Pasco County Inc.

Policy on Conflicts of Interest

Approved 1/10/2011

A. Conflict of interest:

A direct or indirect personal gain for you or for an immediate family member as a result of Habitat for Humanity's ministry. Habitat for Humanity defines "immediate family" as your spouse, parent, legal guardian, child or sibling; your mother-in-law or father-in-law; your spouse's child or sibling; your son-in-law or daughter-in-law; or grandparents and grandchildren.

If you have any influence on, or interest in, transactions involving purchases, contracts or leases by Habitat for Humanity, you must disclose this conflict of interest as soon as possible to your immediate supervisor and the board of directors. This will ensure that safeguard can be established to protect all parties.

The possibility of direct or indirect personal gain occurs where you or your relative has a significant ownership in a firm with which Habitat for Humanity of East & Central Pasco does business.

Under no circumstances may you, an immediate family member, your business partner or any business in which you have a financial interest solicit or receive any kickback, bribe, favors, anything with a monetary value in excess of \$50 or special consideration from any person having business dealings involving Habitat for Humanity without the express written consent of Habitat for Humanity of East & Central Pasco.

If you, an immediate family member, your business partner or any business in which you have a financial interest receives an unsolicited gift with a monetary value in excess of \$50, you should contact your supervisor, the executive director or the president of the board immediately. Any such gift is the property of Habitat for Humanity.

You have an obligation to conduct business within guidelines that prevent actual or potential conflicts of interest. This policy establishes only the framework within which Habitat for Humanity wishes its ministry to operate. The purpose of these guidelines is to provide general direction so that you can seek further clarification on issues related to conflicts of interest.

B. Annual disclosure:

Directors, officers and staff shall disclose in writing to the board of Directors any person -to whom they are closely related or any organization with which they are affiliated who or which presently transacts business with the corporation or a related entity or might reasonably be expected to do so in the future. Each disclosure shall be updated and resubmitted to the secretary of the board on an annual basis.

An affiliation with an organization will be considered to exist when a director, officer, staff person or a member of his or her immediate family or close relative is an officer, director, trustee, partner, employee or agent of the organization, or owns 5 percent of the voting stock or controlling interest in the organization, or has any other substantial interest or dealings with any organization transacting business with Habitat for Humanity of East & Central Pasco County, Inc. (“Habitat”).

C. Transactions with Habitat:

(i) Types of Transactions.

A director, officer or staff person may have a conflict of interest when he or she or a related person (i.e. a relative by blood or marriage) has a direct or indirect financial or beneficial interest in a transaction involving Habitat. The conflict arises when the direct or indirect interest would reasonably be expected to influence a director’s or officer’s judgment in any matter concerning Habitat.

A director, officer or staff person has a financial or beneficial interest when he or she or a related person:

- is a director, officer, general partner , agent or employee of an entity (other than Habitat) transacting business with Habitat;
- controls one or more entities described above; or
- has a business relationship (i.e. as a general partner, principal or employer) with a person transacting business with Habitat.

(ii) Duties of directors.

In addition to an annual disclosure, a director or officer is required (as a matter of law and of policy) to disclose to the board of directors any actual or potential conflict of interest which the director or officer knows to exist. The disclosure shall identify the nature of the conflict and all the material facts and circumstances surrounding the conflict which would be necessary for the board to make an informed decision with respect to the transaction.

The disclosure of a director or officer is not limited to his or her own conflicts, but shall include any conflict of any other officer, director or employee which is known to a director or officer.

(iii) Action of the directors.

Upon the disclosure of an actual or potential conflict of interest of a director, officer or staff person, the board of directors may take action despite the conflict:

- if the director, officer or staff person with the conflict provides the material information to the board and excuses himself or herself from the discussion and the vote on the transaction. (The director or officer is required to retire from the room for the final vote.);

- if a majority of the disinterested directors (with a quorum present) takes action with respect to the conflict and with all material information; and
- if the minutes of the meeting of the board of directors or committee indicate that a conflict was disclosed and that the interested director was not present during the final discussion and did not vote.

D. Nepotism:

Habitat for Humanity does not prohibit the employment of or the volunteering of relatives or persons with close personal relationships to current directors, volunteer or employees. However, it is important to recognize that these situations may not be conducive to a healthy environment in many instances. The following does not foreclose opportunities for families and friends to successfully contribute to the Habitat for Humanity mission but is designed to insure that all employees and volunteers perceive that they will receive fair, impartial and unbiased treatment.

1. Immediate family members cannot report to each other simply because such a situation may result in conflict, discomfort or feelings of mistrust of the other staff.
2. Immediate family members cannot be in positions where they are making decisions that affect their own family members (i.e. salary setting, hires, promotions, time off)
3. To ensure effective stewardship of funds, immediate family members cannot be in positions where opportunities exist to approve financial transactions (i.e. travel advances, reimbursements).
4. Finally, a staff member who is related to another employee or director cannot be in a significant management position or in a position to approve financial transactions or personal decision.