

# RMOUG Conflict of Interest Policy

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## I. Application of Policy

This policy applies to all board members and staff. Persons covered under this policy, as well as their relatives and associates, are hereinafter referred to as "*interested parties*."

## II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the Rocky Mountain Oracle Users Group, herein after referred to as *RMOUG*. There are a variety of situations that raise conflict of interest concerns including, but not limited to, the following:

### A. Financial Interests

A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by *RMOUG*. Examples include situations where:

- *RMOUG* contracts to purchase or lease goods, services, or properties from an interested party.
- *RMOUG* offers employment or compensation to an interested party or an entity with which the interested party has a direct or indirect financial interest, other than a person who is already employed by *RMOUG*.
- An interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with *RMOUG*.
- An interested party is gratuitously provided use of the facilities, property, or services of *RMOUG*.
- *RMOUG* adopts a policy that financially benefits an interested party.

A financial interest is not necessarily a conflict of interest. A financial conflict of interest exists only when the board decides a person with a financial interest has a conflict of interest.

### B. Other Interests

A conflict also may exist where an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with *RMOUG*. Examples include where:

- An interested party seeks to obtain preferential treatment by *RMOUG* or recognition for himself/herself or another interested party.

# RMOUG Conflict of Interest Policy

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- An interested party seeks to make use of confidential information obtained from *RMOUG* for his/her own benefit (not necessarily financial) or for the benefit of another interested party.
- An interested party seeks to take advantage of an opportunity or enables another interested person or other organization to take advantage of an opportunity that he/she has reason to believe would be of interest to *RMOUG*.
- *RMOUG* adopts a policy that provides a significant nonfinancial benefit to an interested party.

A conflict of interest exists only when the Board of Directors decides there is a conflict.

## III. Disclosure of Potential Conflicts of Interest

An interested party is under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known.

An interested party shall complete the Questionnaire attached as Appendix A to fully and completely disclose the material facts about any potential conflicts of interest. The disclosure statement and Affirmation of Compliance (Appendix B) shall be submitted upon his/her association with *RMOUG*, and shall be reviewed annually thereafter. An additional disclosure statement shall be filed whenever a potential conflict arises.

Disclosure statements will be submitted as follows:

- For board members, volunteers, and contractors, the disclosure statements shall be provided to the Secretary of the Board of Directors of *RMOUG*
- The Secretary will make the information available to the rest of the Board of Directors at the following board meeting

In all cases, the recipient is the designated reviewing official responsible for bringing potential conflicts to the attention of the appropriate authorities. The Secretary of the Board of Directors shall file copies of all disclosure statements with the official corporate records of *RMOUG*.

## IV. Procedures for Review of Potential Conflicts

Whenever there is reason to believe that a potential conflict of interest exists between *RMOUG* and a Board member, the Board of Directors shall determine the appropriate response. This shall include, but not necessarily be limited to, invoking the procedures described below with respect to a specific proposed action, policy or transaction.

The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the board promptly for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest.

# RMOUG Conflict of Interest Policy

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Where the potential conflict involves an employee of *RMOUG*, the President shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of *RMOUG*. The President shall report to the Board of Directors the results of any review and the action taken. The Board of Directors shall determine whether any further board review or action is required.

## V. Procedures for Addressing Conflicts of Interest

Where a potential conflict exists between the interests of *RMOUG* and an interested party with respect to a specific proposed action, policy or transaction, the Board of Directors shall consider the matter during a meeting of the board. *RMOUG* shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the Board of Directors of *RMOUG*. The following procedures shall apply:

An interested party who has a potential conflict of interest with respect to a proposed action, policy or transaction shall not participate in any way in, or be present during, the deliberations and decision-making vote of *RMOUG* with respect to such action, policy or transaction. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the board may request that the interested party be available to answer questions.

- The disinterested members of the Board of Directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of *RMOUG*. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to *RMOUG* and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the Board of Directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made to the board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes should frame the decision of the board in such a way that it provides guidance for consideration of future conflict of interest situations.

## VI. Documentation

The minutes of the governing board and all committees with board delegated powers shall contain:

# RMOUG Conflict of Interest Policy

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- 1) 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.
- 2) The names of the persons who were present for discussion 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.

## **VII. Violations of Conflict of Interest Policy**

If the Board of Directors has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the board decides that the interested party has in fact failed to disclose a possible conflict of interest, the board shall take such disciplinary and corrective action as the board shall determine.

# RMOUG Conflict of Interest Policy

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## Appendix A – Disclosure Questionnaire

Please complete the questionnaire below, indicating any potential conflicts of interest. If you answer "yes" to any of the questions, please provide a written description of the details of the specific action, policy or transaction in the space allowed. Attach additional sheets as needed.

**Financial Interests** - A conflict may exist where an interested party, directly or indirectly benefits or profits as a result of a decision, policy or transaction made by *RMOUG*.

During the past 12 months (for each yes response, please describe on a separate page.):

1. Has *RMOUG* proposed to contract or contracted to purchase or lease goods, services, or property from you or from any of your relatives or associates?  Yes  
 No
2. Has *RMOUG* offered employment to you (not applicable to existing staff) or to any of your relatives or associates?  Yes  
 No
3. Have you, or any of your relatives or associates, been provided with a gift, gratuity or favor of a substantial nature from a person or entity that does business or seeks to do business with *RMOUG*?  Yes  
 No
4. Have you or any of your relatives or associates been gratuitously provided use of the facilities, property, or services of *RMOUG*?  Yes  
 No
5. Have you, a relative or an associate been in a position to benefit financially from an action, policy or transaction made by *RMOUG*?  Yes  
 No

**Other Interests** - A conflict may also exist where an interested party obtains a non-financial benefit or-advantage that he/she would not have obtained absent his/her relationship with *RMOUG*, or where his/her duty or responsibility owed to *RMOUG* conflicts with a duty or responsibility owed to some other organization.

Please indicate if at any time during the past twelve months (for each yes response, please describe on a separate page.):

1. Did you obtain preferential treatment, promotion, recognition or a non-salaried appointment as a consequence of your association with *RMOUG* for yourself or for any of your relatives or associates?  Yes  
 No
2. Did you make use of confidential information obtained from *RMOUG* for your own benefit or for the benefit of a relative, associate, or other organization?  Yes  
 No

# RMOUG Conflict of Interest Policy

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3. Did you take advantage of an opportunity or enable a relative, associate or other organization to take advantage of an opportunity that you had reason to believe would be of interest to *RMOUG*?  Yes  
 No
4. Have you, a relative or an associate been in a position to benefit in a nonfinancial way from an action, policy or transaction made by *RMOUG*?  Yes  
 No

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Name

Signature

Date

# RMOUG Conflict of Interest Policy

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## Appendix B – Affirmation of Compliance

I have received and carefully read the Conflict of Interest Policy for board members and staff with significant decision making authority of *RMOUG* and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that *RMOUG* is a nonprofit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes without personal inurement (other than by salary) by board members or staff.

Except as otherwise indicated in the Disclosure Questionnaire and attachments below, I hereby state that I do not have any conflict of interest, financial or otherwise that may be seen as competing with the interests of *RMOUG*, nor does any relative or associate have such a potential conflict of interest. Nor shall I, any relative or associate benefit from any action, policy or transaction made by *RMOUG* in a manner that has not been previously disclosed.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose in writing the circumstances to the President of the Board of Directors of *RMOUG*.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Signature Date

### Annual Review and Reaffirmation

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Signature Date