

Great Swamp Watershed Association
Conflict of Interest Policy and Procedures
Adopted 03/31/2016; Amended 03/16/2017

ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM

The conflict of interest policy applies to all of the following insiders: 1) board members, 2) staff members, 3) substantial contributors, 4) parties related to board members, staff members, and substantial contributors, 5) those who have the ability to influence decisions, and 6) volunteers and those with access to information not available to the general public.

Please initial each statement that applies to you:

<p>_____ I have read and am familiar with the Conflict of Interest Policy.</p>
<p>_____ I am not aware of any direct or indirect financial or other material interest or co-investment interest that is required to be disclosed under the Conflict of Interest Policy.</p> <p>OR</p> <p>_____ I have completed in the form below every direct and indirect financial or other material interest or co-investment interest that is required to be disclosed under the Conflict of Interest Policy. (Please complete the Declaration Form below).</p>

I agree to report promptly any future situation that might involve or appear to involve me or any of my relatives in any potential conflict of interest with GSWA.

I am completing this disclosure statement based on the definitions from the Conflict of Interest Policy.

Signature: _____ Date: _____

Please return this statement no later than January 31 of each calendar year or as identified.

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CONFLICT OF INTEREST DECLARATION

I hereby acknowledge that I have a potential conflict of interest with the following organizations that may have a relationship with GSWA:

Organization	Relationship
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
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Purpose:

It is the policy of Great Swamp Watershed Association (GSWA) to identify conflicts of interest involving GSWA and related parties, as well as situations that may create the appearance of a conflict of interest and to address such conflicts and situations in a manner that will fully protect the integrity and reputation of GSWA, as well as related parties.

Introduction

GSWA's effectiveness depends on its record of accomplishment and its reputation. GSWA's success results directly from maintaining the confidence of the individuals, groups and organizations with whom it works. GSWA's greatest asset is its good name. Having a sound conflict of interest policy and procedure will help GSWA comply with Land Trust Standards and Practices and will also help assure compliance with the U.S. Internal Revenue Service (IRS) rules against private inurement and impermissible private benefit and with New Jersey statutes addressing conflict transactions.

One of the principal purposes of the Conflict of Interest Policy and Procedure is to help GSWA staff and board members identify and avoid or resolve conflicts of interest. For that reason, GSWA employees and board members must read and retain a copy of this Conflict of Interest Policy and Procedure at the outset of their tenure with GSWA and at such time as the policy or procedure is amended.

The Conflict of Interest Policy and Procedure will be discussed at all orientation sessions for new employees and board members.

GSWA will require annual confirmation from board members and other insiders that they know of no conflicts needing disclosure. There may be certain GSWA volunteers who, because of their level of involvement in GSWA business, and because of their access to inside information, are covered by this Conflict of Interest Policy and Procedure and must be fully informed of its contents.

Any questions concerning the scope or possible impact of the Conflict of Interest Policy and Procedure upon any insider should be addressed to GSWA's Executive Director or to a GSWA staff member designated by the Executive Director.

Conflict Concepts and Definitions

A. **Conflict of Interest.** A conflict of interest arises when "insiders" are in a position, or perceived to be in a position, to benefit financially (or create a benefit to a family member or other organization with which they are associated) by virtue of their position within GSWA.

B. **Insiders.** "Insiders" include board and staff members, substantial contributors, those who have an ability to influence decisions of the organization and those, like some

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volunteers, with access to information not available to the general public. In addition, insiders include all persons related to the listed persons.

C. **Related persons.** "Related persons" include a spouse, as well as brothers, sisters, ancestors, children, grandchildren, great-grandchildren and spouses of all the foregoing. Any person with whom a related person shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the related person will be considered to be a related person.

D. **Substantial contributors.** "Substantial contributors" include any individual, corporation or foundation that makes a gift or pledge of \$25,000 or more at any one time or cumulatively within a five-year period prior to the occurrence of the conflict either in cash, appreciated securities, other assets or in land, easement or bargain-sale value.

E. **Inside information.** "Inside information" includes any material information that is identified as confidential or proprietary pertaining to the business and affairs of GSWA, whether related to a specific transaction or to matters pertaining to GSWA's interests, activities and policies.

F. **Material financial interest.** "Material financial interest means any financial interest in a transaction, direct or indirect, other than one that is so minor that no one would reasonably believe that the interest could affect or influence the judgment or decisions of the person or persons involved.

General Guidelines

GSWA expects that GSWA insiders will conduct themselves under strict rules of honesty and fair dealing in their relations with GSWA and on behalf of GSWA with third parties. Each such insider must carry out his or her fiduciary duties of loyalty to GSWA in accordance with applicable law. GSWA is organized and operated exclusively for charitable purposes, and GSWA and all insiders must avoid participation in any transaction involving private inurement or impermissible private benefit.

GSWA Administration and Procedure for Reviewing and Managing Conflicts

Insiders' Obligations

An insider who becomes aware of any actual or potential conflict of interest or of circumstances that may appear to involve such an actual or potential conflict of interest shall do the following:

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1. Disclose the existence of any such conflict or circumstances, providing such information to GSWA as may be requested. As to staff members, other than the Executive Director, disclosure shall be to his or her supervisor or Human Resources. As to the Executive Director and all board members, other than the board chair, disclosure shall be to the board chair. As to the board chair, disclosure shall be made to the Executive Committee. As to all other insiders and volunteers, including substantial contributors, disclosure shall be to the Executive Director or the board chair.
2. After such disclosure, abstain from discussing with board or staff members anything related to the conflict of interest or circumstances unless specifically asked by the board or a board committee to give information on the matter.
3. Absent him or herself from board or board committee discussions on anything related to the conflict of interest or circumstances unless specifically asked by the board or a board committee to give information on the matter.
4. Absent him or herself during voting on anything related to the conflict of interest or circumstances.
5. Resign from the board, if requested to do so by the board, until such time as the matter giving rise to the conflict of interest or circumstances has been resolved. When, in the opinion of the board, the matter has been sufficiently resolved, the resigned director may be invited to rejoin the board.

GSWA Process

When any GSWA transaction, contract or project (the “transaction”) involves an actual or potential conflict of interest or circumstances that may appear to involve such an actual or potential conflict of interest, GSWA shall do the following:

- A. Take all appropriate steps to determine the facts relating to the conflict, including receiving the disclosures required of the insider, as stated above.
- B. As to a transaction in which a GSWA board member has a material financial interest, the board may approve the transaction only if it determines and makes specific findings that:

- 1) GSWA is entering into the transaction for its own benefit

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- 2) The transaction is fair and reasonable as to GSWA
- 3) Prior to consummating the transaction or any part of it, the board has authorized or approved the transaction in good faith by a vote of the majority of the members in office without counting the vote of any interested board member and with knowledge of the material facts concerning the transaction and the board member's interest in the transaction
- 4) Prior to authorizing or approving the transaction, the board considers and in good faith determines, after reasonable investigation under the circumstances, that GSWA could not have obtained a more advantageous arrangement with reasonable effort under the circumstances (For example, for land purchase transactions, land valuation must be by a licensed appraiser in good standing and conducted in accordance with the Uniform Standards of Professional Appraisal practice or in the case of a sale of a land asset, the organization must market the land in a manner sufficient to ensure the property is given suitable market exposure for a buyer to make an offer at or above fair market value. Sale of land to an insider below market value is permissible only after a bona fide attempt to market the land through a legitimate real estate offer involving a New Jersey licensed realtor with a minimum open market exposure time of 6 months.)

C. As to transactions in which no GSWA board member has a material financial interest, but another insider has an actual or potential conflict of interest or circumstances exist that may appear to involve such an actual or potential conflict of interest, following the disclosures by the insider outlined above, the GSWA representative receiving the disclosures shall work with the insider to develop an appropriate course of action to be recommended to the Executive Director in the case of staff members or volunteers and to the board chair in all other cases. Each such recommendation of a proposed course of action will describe the particular activity in question that gives rise to the conflict or appearance of conflict, the reasons why the proposed course of action should be approved and any special circumstances surrounding the situation. The GSWA person receiving that recommendation shall have the authority, in his or her discretion, to take action to resolve the matter as he or she deems appropriate. However, the Executive Director or the board chair may elect to refer the matter to the Executive Committee or the board for a decision. In any case, the Executive Director, board chair or Executive Committee, as applicable, shall report the disposition of the matter to the board.

D. In all cases in which conflicts of interest or circumstances giving rise to the appearance of a conflict are disclosed, in developing responses to such conflicts, every reasonable

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effort will be made to avoid the conflict. In cases where it is not possible to completely avoid a conflict or the appearance of a conflict, reasonable efforts will be made to mitigate the effects of the conflict. At a minimum, the recommended course of action shall ask the individual involved in the conflict to disclose the situation fully to the relevant parties and recuse and absent him or herself from any involvement in decisions pertaining to the conflict or the appearance of conflict. Before the conflict is disclosed and while the request for approval of a proposed course of action is pending or being considered, the individual involved in the conflict shall refrain from participating in the questionable activity.

- E. GSWA will document, in board minutes or otherwise as appropriate, the existence of each disclosed actual or potential conflict, or of circumstances that may appear to involve such an actual or potential conflict, and the actions taken to manage such a conflict.

Conclusion

Adhering to the Conflict of Interest Policy and Procedure is a condition of association with GSWA as an employee, volunteer or board member. Violations of the Conflict of Interest Policy and Procedure may be grounds for dismissal as an employee or volunteer or severance from the board.

The Executive Committee and the Executive Director will periodically review and assess this Conflict of Interest Policy and Procedure and its implementation and notify employees, volunteers, board members and other insiders of any changes and/or revisions.

This Policy amends the Conflicts of Interest Policy dated 03/31/2016.

Approved and Adopted by the Board of Trustees on the _16th day of March, 2017.