

CHARLOTTE LAND TRUST CONFLICT OF INTEREST POLICY

Article I: PURPOSE

In order to encourage trustworthy decision-making and prudent behavior on the part of those associated with the Charlotte Land Trust, the Board of Directors hereby adopts the following policy regarding conflicts of interest.

The Charlotte Land Trust's effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the communities it serves and all parties with whom it works. It is essential to protect the organizations' reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential and perceived conflicts of interest.

Persons associated with the Charlotte Land Trust are reminded that the decisions and activities of the Board of Directors, whether or not addressed in this policy, are governed by an overriding requirement of honesty, good faith and fiduciary responsibility for the organization and to the communities it serves.

This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to public charities.

Article II: DEFINITIONS

1. Conflict of Interest – a conflict of interest exists when a covered person (as defined below) has a financial interest in a land transaction or project under consideration by the Board of Directors of the Charlotte Land Trust, or when a covered person proposes to act on any issue, matter, or transaction in which the Charlotte Land Trust has an interest and in which the covered person may have an interest separate from the Charlotte Land Trust.

A conflict of interest may also exist in situations in which there maybe an appearance that a covered person is utilizing for his or her benefit, inside information that is proprietary to the Charlotte Land Trust, is acting in his or her own interest rather than the best interest of the Charlotte Land Trust, has the ability to exercise undue influence over the Charlotte Land Trust's decisions or is receiving favorable treatment by the Charlotte Land Trust because of his or her status as a covered person.

2. Covered persons:
 - a. Board members
 - b. Major donors (individuals, corporations or foundation who make a gift or a pledge of \$5,000, or more at any one time or \$10,000, or more within a 5-year period
 - c. Individuals such as volunteers or former board members who, by virtue of their continued involvement with the Charlotte Land Trust, either have access to inside information that could place them in a conflicted

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situation or could give the appearance of having the ability to unduly influence the Charlotte Land Trust.

- d. Close relatives of all person's noted above, including a spouse, domestic partner, child, sibling, parent stepparent, parent-in-law, sibling-in-law, grandchild, or grandparent.

Board members shall sign an Annual Statement (Appendix I) each year acknowledging that they have read and agree to abide by the Charlotte Land Trust's conflict of interest policy.

3. **Financial Interest:** A covered person has a Financial Interest if the person has, directly or indirectly, through business, investment or family (including a spouse or domestic partner, or a child, sibling or parent [and the spouses of them]):
 - a. An ownership or investment interest in any entity with which the Charlotte Land Trust has a transaction or arrangement
 - b. A compensation arrangement with the Charlotte Land Trust or with any entity or individual with which the Charlotte Land Trust has a transaction or arrangement
 - c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the Charlotte Land Trust is negotiating a transaction or arrangement.

Article III: PROCEDURES

1. **General Guidelines:** covered persons shall avoid conflicts of interest involving their duties to the Charlotte Land Trust and any other interest or organization to which they have a duty, or any activity in which they are financially or otherwise interested.

It is expected that all covered persons shall conduct themselves under rules of honesty and fair dealing between themselves and the Charlotte Land Trust. Such persons shall not use their position or knowledge gained during their association with the Charlotte Land Trust for their private benefit (or the benefit of their family) nor to obtain an unfair advantage over any aspect of their dealings with the Charlotte Land Trust.

2. **Duty to Disclose:** Board members are obliged:
 - a. To disclose to the board president the existence of any actual, potential, or perceived conflict of interest. (Appendix II provides a form for this use.)
 - b. To abstain from discussing with the board members any issue, matter, or transaction in which they have an actual, potential, or perceived conflict of interest unless specifically asked by the board to give information on the issue, matter, or transaction.

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- c. To absent themselves from board discussions on any issue, matter or transaction involving a conflict of interest, unless requested by the board to give information. To abstain from voting on any such issue, matter, or transaction.
 - d. Conflicted members of the board may be requested, to resign their posts in the organization until such time as the matter giving rise to the conflict of interest has been resolved. The conflicted person may be invited to rejoin their post, once in the opinion of the board president, the matter has been sufficiently resolved.
- 3. Determining Whether a Conflict of Interest Exists:** After disclosure of the actual or potential conflict of interest, and after discussion with the disclosing person, he or she shall leave the board meeting while the determination of a conflict of interest is discussed and voted on by the remaining board members.
- 4. Procedures for Addressing the Conflict of Interest:** When a transaction or arrangement of the Charlotte Land Trust involves an actual, potential or perceived conflict of interest with a covered person, the board shall act as follows:
 - a. Approve such transactions, contract, or project only after making specific findings that:
 - i. The transactions, contract, or project is fair and benefits the Charlotte Land Trust and its objectives
 - ii. The transactions, contract, or project is approved with the board's full knowledge of its financial or other benefit to the covered person who has the conflict of interest
 - iii. The board member did not participate in the vote approving the transactions, contract, or project and was, in fact, absent both during the discussion of the transaction, contract, or project and when the board voted on it. And the board member only provided information on the matter when specifically asked by the board to do so.
 - iv. A more advantageous arrangement could not have been obtained with reasonable effort
 - b. When warranted by the nature and magnitude of the conflict of interest, request that a conflicted member of the Board of Directors resign.
 - c. Action taken by the board to manage a conflict of interest shall be recorded in the board minutes or entered as a board resolution.
- 5. Violations of the Conflict of Interest Policy:** If the board president has reasonable cause to believe that a covered person has failed to disclose actual or potential conflicts of interest, he shall inform the covered person of the basis for such belief and afford them an opportunity to explain the alleged failure to

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disclose.

If, after hearing the response of the covered person, the board president determines that the covered person had in fact failed to disclose an actual or potential conflict of interest, the action to be taken shall be discussed and decided by the full Board of Directors.

Article IV: RECORDINGS OF PROCEEDINGS:

All actions, discussion, and decisions around an occurrence of any actual or potential conflict of interest shall be fully documented and held in a separate Charlotte Land Trust Conflict of Interest file.. They should include, but are not limited to:

1. Minutes from the meetings when a conflicted project was discussed showing the conflicted party left the room during discussions and was recused from all discussions and votes on the project.
2. Minutes from the meetings when the conflict of interest project was discussed, approved, or revised, the discussion and the reasons, which should meet the tests notes in Article III, item 4a.
3. Documentation that fees paid for services provided by insiders were determined to be fair to the Charlotte Land Trust and did not result in private inurement
4. Evidence that if an attorney represented both the Charlotte Land Trust and a landowner he/she disclosed his or her dual role to all parties to the transaction and secured appropriate waivers, and that the Charlotte Land Trust has appropriate, independent advice
5. All completed and signed Conflict of Interest Disclosure Forms, which include a description of the real or potential conflict, the parties involved and the board action and resolution.

Article V: PERIODIC REVIEWS

This policy shall be reviewed at least every three years and revised as necessary by the board of directors of the Charlotte Land Trust

This policy adopted by the Charlotte Land Trust board of directors on _____

Signed: _____, Frances Foster, Board President

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Appendix I: ANNUAL STATEMENT

I hereby acknowledge that I have received a copy of the Charlotte Land Trust's Conflict of Interest Policy; I have read and understand the policy; I agree to comply with the policy; and I understand that the Charlotte Land Trust is a charitable organization and that in order to maintain its federal tax exemption it shall engage in activities which accomplish one or more of its tax-exempt purposes.

Printed Name: _____

Signature: _____

Date: _____

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Appendix II: CONFLICT OF INTEREST DISCLOSURE FORM

The Charlotte Land Trust’s effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the communities it serves and all parties with whom it works. It is essential to protect the organizations’ reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential and perceived conflicts of interest.

All board members are required to disclose to the board president the existence of any actual, potential, or perceived conflict of interest.

DESCRIBE THE PROJECT OR SITUATION A POTENTIAL CONFLICT MAY EXIST:

DESCRIBE YOUR RELATIONSHIP TO THE SITUATION OR PROJECT AND HOW IS MIGHT POSSIBLY BE VIEWED AS A CONFLICT OF INTEREST

NAME: _____ DATE: _____

BOARD DETERMINATION OF CONFLICT OF INTEREST AND ACTION TAKEN:

BOARD PRESIDENT SIGNATURE: _____ DATE: _____