

NEW HAMPSHIRE LOCAL WELFARE ADMINISTRATOR'S ASSOCIATION

CONFLICT OF INTEREST POLICY

ARTICLE I PURPOSE

1. Charitable Organization

The Board of Directors and Officers of New Hampshire Local Welfare Administrator's Association (hereinafter "Organization") may only serve for the charitable purposes of this organization. It is contemplated that the Organization shall not enter into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction.

2. Protect the Organization

The purpose of this Conflict of Interest Policy is to protect the Organization's interest in the event it should consider such a transaction or arrangement. This policy is intended to supplement but not replace any applicable New Hampshire 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 the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating.

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.

ARTICLE III **PROCEDURES**

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose in writing the existence of the financial interest and must 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. 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.

3. Procedures for Addressing the Conflict of Interest

If the Board or Committee decides that a conflict of interest exists, it shall follow these procedures:

- 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 chairperson of the governing board or committee 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 the Organization 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. If it can do so with reasonable efforts, the governing board or committee shall choose a more advantageous transaction or arrangement that does not give rise to a conflict of interest over one that does.

- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a vote of the disinterested directors (1) whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and (2) whether it is fair and reasonable, notwithstanding the conflict of interest.

In conformity with the above determinations, the governing board or committee shall make its decision as to whether to enter into the transaction or arrangement, notwithstanding the conflict of interest, by the following procedures:

- (i) For a transaction less than \$500 in a fiscal year, a simple majority vote of the disinterested directors or committee members is needed.
 - (ii) For a transaction involving more than \$500, but less than \$5,000 in a fiscal year, a two-thirds vote of the disinterested directors or committee members is needed.
 - (iii) For a transaction involving more than \$5,000 in a fiscal year, a two-thirds vote of the disinterested directors or committee members is needed, and if there is a two-thirds majority vote of the disinterested directors or committee members to proceed with a transaction or arrangement involving more than \$5,000 in a fiscal year, then publication in a newspaper in general circulation in Merrimack County, and written notice to the Office of the Attorney General, Charitable Trusts Unit, before consummating the transaction or arrangement is also required.
- e. In general, it is not considered a prohibited transaction or arrangement if an interested person receives:
- (i) Reasonable compensation for services as an executive director or expenses incurred in connection with official duties as a director or officer;
 - (ii) A benefit provided by the Organization if:
 - (1) The benefits are provided or paid as part of programs, benefits, or payments to members of the general public; and
 - (2) The Organization has adopted written eligibility criteria for such benefit in accordance with its Bylaws or applicable laws; and
 - (3) The interested person meets all of the eligibility criteria for receiving such benefit.
 - (iii) A benefit pursuant to a continuing transaction entered into by the Organization, merely because a person with a financial interest therein

subsequently become an officer, or director of the Organization, but the votes (and notifications, if necessary) specified in Article III, 3(d)(i-iii) must still be conducted.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe that 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.
- b. 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
PROHIBITED TRANSACTIONS

1. Loans

The Organization shall not lend money or property to any interested person.

2. Real Estate Transactions

The Organization shall not give to, sell to or lease [for a term greater than five (5) years] to or from any interested person, any real estate or any interest in real estate.

ARTICLE V
RECORDS OF PROCEEDINGS

1. Minutes

The minutes of the meetings 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.

2. Reports

The Organization shall maintain a list disclosing each and every transaction or arrangement with an interested person in which a conflict of interest was found, including the names of those to whom the benefit accrued and the amount of the benefit. Such list shall be available for inspection by members of the Board of Directors and by contributors to the Organization. The Organization shall report this list to the Director of Charitable Trusts Unit each year as part of the Organization's annual report, required by N.H. RSA 7:28. In addition, all those who received such benefits shall provide copies of all contracts, payment records, vouchers, other financial records or other financial documents at the request of the Director of Charitable Trusts Unit in accordance with N.H. RSA 7:24. All documents so provided may be disclosed to the public for inspection and copying, subject to applicable confidentiality laws.

ARTICLE VI **COMPENSATION**

1. Board Member Cannot Vote on Own Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services, is precluded from voting on matters pertaining to that member's compensation.

2. Committee Member Cannot Vote on Own Compensation

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services, is precluded from voting on matters pertaining to that member's compensation.

3. No Prohibition on Disclosure of Compensation

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VII **ANNUAL STATEMENTS**

1. Receipt and Understanding of Policy

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

- a. Has received a copy of this Conflict of Interest Policy;

- b. Has read and understands this Policy;
- c. Has agreed to comply with this Policy; and
- d. Understands that the Organization is charitable, and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VIII
PERIODIC REVIEWS

1. Biannual Reviews by Board

To ensure that the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its charitable status, periodic reviews may be conducted at least biannually by an Audit Committee. The periodic reviews shall, at a minimum, include the following subjects:

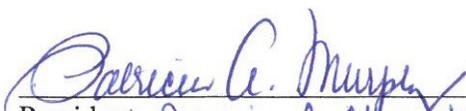
- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly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

ARTICLE IX
USE OF OUTSIDE EXPERTS

1. Assistance

When conducting the periodic reviews as provided for in Article VIII, the Organization 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.

This Conflict of Interest Policy was adopted by a majority vote of the Board of Directors of the Organization on May 16, 2019.



 President Patricia A. Murphy



 Secretary E:ltu, u.UY