

FRIENDS OF THE OUTLET TRAIL, INC.
CONFLICT OF INTEREST POLICY
(Approved March 26, 2016)

In order to encourage trustworthy decision-making and prudent behavior on the part of all those associated with the Friends of the Outlet, Inc. (herein referred to as the Friends), the board of directors hereby adopts the following policy regarding conflict of interest.

INTRODUCTION

The Friend'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 organization's reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential, and perceived conflicts of interest.

All persons associated with the Friends are reminded that the decisions and activities of the board of directors and staff, 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.

DEFINITION OF CONFLICT OF INTEREST

A conflict of interest exists when a covered person (as defined below) has a material financial interest in a transaction or project under consideration by the Board of Directors or a committee of the Friends or when that person proposes to act on any issue, matter, or transaction in which the Friends has an interest, and in which the covered person may have an interest separate from that of the Friends. A conflict of interest may also exist in situations in which there is an appearance that a covered person is utilizing, for his or her own benefit, inside information that is proprietary to the Friends, is acting in his or her own interests rather than the best interests of the Friends, has the ability to exercise undue influence over the Friend's decisions, or is receiving favorable treatment by the Friends because of his or her status as a covered person.

COVERED PERSONS

This policy applies to all employees, board members, members of board or advisory committees, and may apply to major donors (individuals, corporations or foundations 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), individuals such as volunteers or former employees who, by virtue of their continued involvement with the Friends, either have access to inside information that could place them in a conflicted situation or could give the appearance of having the ability to unduly influence the Organization. The policy may also apply to close relatives of these persons, including a spouse, domestic partner, child, sibling, parent, stepparent, parent- or sibling-in-law, grandchild, or grandparent.

Board members, advisory committee members, and employees will be asked to sign an acknowledgement that they have read and agree to abide by the Friends's conflict of interest policy. Other individuals noted in the previous paragraph may be asked to sign the conflict of interest policy upon a determination by the Board.

GENERAL GUIDELINES

All persons shall avoid conflict of interest involving their duties to the Friends and any other interest or organization to which they have a duty, or any other activity in which they are financially or otherwise interested.

It is expected that persons subject to this policy will conduct themselves under strict rules of honesty and fair dealing between themselves and the Friends. Such persons shall not use their position or knowledge gained during their association with the Friends for their private benefit nor to obtain an unfair advantage over any aspect of their dealings with the Friends.

OBLIGATIONS OF COVERED PERSONS

Board members, advisory board and committee members, employees, and contractors are obliged:

1. To disclose to the board, executive director, or committee of the board on which they serve, the existence of any actual, potential, or perceived conflict of interest. (The President of the Friends will provide forms for these disclosures.)
2. To abstain from discussing with board members, employees, or committee members any issue, matter, or transaction in which they have an actual, potential, or perceived conflict of interest unless specifically asked by the board or a board committee to give information on the issue, matter, or transaction.
3. To absent or recuse themselves from board and committee discussions on any issue, matter or transaction involving a conflict of interest, unless requested by the board or committee to give information on the issue, matter, or transaction.
4. To abstain from voting on any such issue, matter, or transaction.
5. In the case of conflicted members of the board, advisory board or committees: When requested by the board, to resign from the board of directors, advisory board or committee until such time as the matter giving rise to the conflict of interest has been resolved. When, in the opinion of the board president, the matter has been sufficiently resolved, the conflicted person may be invited to rejoin the board, advisory board or committee.

OBLIGATIONS OF THE BOARD IN CONFLICTED SITUATIONS

When a transaction, contract, or project of the Friends involves an actual, potential, or perceived conflict of interest with a covered person, the board shall act as follows:

1. Approve such transaction, contract, or project only after making specific findings that:

- (i) The transaction, contract, or project is fair and benefits the Friends and its objectives; and
 - (ii) The transaction, 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) When the covered person is a director, the director did not participate in the vote approving the transaction, 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;
 - (iv) A more advantageous arrangement could not have been obtained with reasonable effort.
2. When warranted by the nature and magnitude of the conflict of interest, request that a conflicted member of the board of directors, advisory board, or other committee resign.
 3. In the case of an irresolvable conflict of interest involving a staff member, the board may decide to place the staff member on administrative leave or terminate the staff member's employment or association with the Friends, in accordance with the Friends conflict of interest policies.
 4. Action taken by the board to manage a conflict of interest shall be recorded in the board minutes or memorialized in a board resolution.

This policy adopted by the Friends of the Outlet Trail, Inc. board of directors on March 26, 2016.

I have read and agree to abide by the Friends of the Outlet Trail, Inc. Conflict of Interest Policy.

Signature

Date