

Conflict of Interest Policy

I. Reason for Statement

Builders Association of Northern Nevada (“BANN”) is a nonprofit cooperative corporation, tax-exempt organization under §501(c)(6). Maintenance of its tax-exempt status and its reputation for fair dealing is important both for BANN’s continued financial stability and to retain the complete trust of its members and those with whom BANN may conduct business in the future.

Consequently, there exists between BANN and its board, executive committee, and employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, executive committee, and employees have the responsibility of administering the affairs of BANN honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of BANN. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with BANN or knowledge gained there from for their personal, familial and/or business’ benefit. The interests of BANN must have the first priority in all decisions and actions.

This policy is intended to supplement but not replace any applicable laws governing conflicts of interest applicable to nonprofit cooperative corporations.

II. Persons Concerned

This policy is directed not only to board members and executive committee members, but to all employees who can influence the actions of BANN. For example, this includes all who make purchasing decisions, all other persons who might be described as “personnel,” and all who have proprietary information concerning BANN.

III. Key Areas in Which Conflicts May Arise

Conflicts of interest may arise in the relations of directors, executive committee members, and employees with any of the following third parties:

- Persons and firms supplying goods and services to BANN
- Persons and firms from whom BANN leases property and equipment
- Persons and firms with whom BANN is dealing or planning to deal in connection with BANN activities or events or a gift, purchase, lease or sale of real estate, securities, or other property
- Competing or affinity organizations
- Donors, sponsors, partners and others supporting BANN
- Recipients of grants from BANN
- Agencies, organizations, and associations that affect the operations of BANN
- Immediate family members and employees of the BANN member companies

IV. Nature of Conflicting Interest

A material conflicting interest may be defined as a self-serving interest, direct or indirect, with any persons and firms mentioned in Section III. Such an interest might arise, for example, through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with BANN
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with BANN
3. Receiving remuneration for services with respect to individual transactions involving BANN
4. Using BANN's time, personnel, equipment, supplies, or good will other than for approved BANN activities, programs, and purposes
5. Receiving personal gifts or loans from third parties dealing with BANN. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money or securities should ever be accepted.

V. Interpretation of This Statement of Policy

The areas of conflicting interest listed in Section III, and the relations in those areas that may give rise to conflict, as listed in Section IV, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the board, executive committee, and employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section IV exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of BANN.

However, it is the policy of the BANN that the existence of any of the interests described in Section IV shall be disclosed to the Executive Director, who will then prepare a report to the President, on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of board, executive committee, and employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

VI. Disclosure Policy and Procedure

Disclosure should be made according to BANN's standards set out in this policy. Every BANN board member, executive member and employee shall complete a Conflict of Interest and Disclosure Statement. Similarly, individuals to whom the board of executive committee delegates decision-making authority shall complete and submit a Conflict of Interest and Disclosure Statement. Conflict of Interest and Disclosure Statements must be completed and submitted when a conflict arises and on no less than an annual basis.

Bann board members, executive members and employees shall forward their completed and signed Conflict of Interest and Disclosure Statements to the BANN Executive Director who shall prepare regular disclosure summaries for the President. As events warrant and to the extent possible, the President shall disclose apparent reported conflicts to the BANN executive committee or board. BANN board members and executive committee members with apparent conflicts will abstain from the business discussion and any vote relating to an entity with which the BANN board or executive committee member may have a conflict. Notwithstanding any statement to the contrary, nothing in this policy shall preclude a BANN board or executive committee member from discussing or presenting a business opportunity to BANN or any of its constituent groups if the BANN board or executive committee member has fully disclosed any relationship the BANN board or executive committee member may have to the proposed or considered transaction.

The meeting minutes shall reflect the names of the person who have disclosed or otherwise were found to have an apparent conflict in connection with a contemplated transaction or arrangement. The minutes will also reflect whether such persons were present for and/or participated in the discussion and votes related to such transactions or arrangements.

Transactions with related parties as defined in Section III may be undertaken only if all of the following are observed:

1. A material transaction is fully disclosed according to this policy,
2. The related party is excluded from the discussion and approval of such transaction,
3. A competitive bid or comparable valuation exists; and
4. Bann's board has acted upon and demonstrated that the transaction is in the best interest of the organization.

In the event of a dispute over whether BANN should enter into a given transaction, the board shall determine whether a conflict of interest exists and, if material, whether the contemplated transaction may be authorized as just, fair, and reasonable to BANN, notwithstanding the material conflict. The Board shall have sole discretion in these matters, and its concern must be the welfare of BANN and the advancement of BANN's tax-exempt purposes.

The policy is intended to apply to all BANN board members, executive committee members, and employees and all transactions beginning upon the date of this policy's adoption by the BANN board. The BANN board must approve any modifications of this policy or of the BANN Conflict of Interest Disclosure Statement before such modification will take affect.