

Conflict of Interest Policy

Western Great Lakes Bird and Bat Observatory

Approved by Board of Directors on 02-09-2017

I. Purpose

The purpose of the conflict-of-interest policy is to protect the interests of the Western Great Lakes Bird and Bat Observatory (Observatory) when it may enter into a transaction or arrangement that might benefit the private interest of a Board member of the Observatory. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Financial Interest

A person has a financial interest if he/she has, directly or indirectly, through business, investment, or family:

- A. An ownership or investment interest or compensation arrangement in any entity with which the Observatory has or is negotiating a transaction or arrangement.
- B. A compensation arrangement with the Observatory or with any entity or individual with which the Observatory has a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that may be considered substantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board determines that a conflict of interest exists.

II. A Duty to Disclose and Determining Whether a Conflict of Interest Exists

A Board member must disclose the existence of a potential conflict of interest. The person shall disclose his/her potential conflict and all material facts to the Board. He/she shall leave the meeting while the remaining Board members shall decide and vote upon whether a conflict of interest exists. The Board may or may not choose to use either of these two options:

- A. Appointing a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement and/or,
- B. Determining whether the Observatory can obtain, with reasonable effort, a more advantageous transaction or arrangement from a person or entity that would not give rise to conflict of interest.

The Board shall determine by a majority vote of the disinterested Board members whether the transaction or arrangement is in the Observatory's best interest, for its

own benefit, and whether it is fair and reasonable (i.e., whether it is or is not a conflict of interest).

III. Violations of the Conflicts of Interest Policy

If the Board has reasonable cause to believe a member has failed to disclose a possible conflict of interest, it shall contact the member and afford him/her an opportunity to explain the alleged failure to disclose. Upon review of the facts, the Board may determine whether a conflict of interest exists and whether appropriate disciplinary or corrective action is necessary.

IV. Compensation from the Observatory

A voting member of the Board who receives compensation, directly or indirectly, from the Observatory for services should recuse themselves from discussion and voting on matters pertaining to that member's compensation.

V. Records of Proceedings

The minutes of the Board shall contain: the names of all persons involved with such a proceeding, along with the nature of the potential conflict, actions taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed, including the names of the persons present for discussion and voting, and the final vote.

VI. Periodic Reviews of the Policy

To ensure the Observatory operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the policy should be reviewed periodically to ensure that compensation arrangements and benefits are reasonable (i.e., whether partnerships, joint ventures, and arrangements with other organizations conform to the Observatory's written policies; are properly recorded; reflect reasonable investment or payments for goods and services; further charitable purposes; and do not result in inurement, in impermissible private benefit, or in an excess benefit transaction).

Each Board member shall sign this statement annually.

Name (Signed)

Date

Name (Printed)