WACOSA's Policy on Conflicts of Interest and Disclosure of Certain Interests

This conflict of interest policy is designed to help directors, officers and employees of WACOSA identify situations that present potential conflicts of interest and to provide WACOSA with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with the procedure prescribed in Minnesota Statutes, Section 317A.255, governing conflicts of interest for directors of nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in section 317A.255, the statute shall control.

1. Definitions.
    a. A "Conflict of Interest" is any circumstance described in Part 2 of this Policy.
    b. A "Responsible Person" is any person serving as an officer, employee or member of the Board of Directors of WACOSA.
    c. A "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
    d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
    e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by WACOSA. The making of a gift to WACOSA is not a Contract or Transaction.

2. Conflict of Interest Defined. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:
    a. *Outside Interests.*
        i. A Contract or Transaction between WACOSA and a Responsible Person or Family Member.
        ii. A Contract or Transaction between WACOSA and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
    b. *Outside Activities.*
        i. A Responsible Person competing with WACOSA in the rendering of services or in any other Contract or Transaction with a third party.
        ii. Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with WACOSA in the provision of services or in any other Contract or Transaction with a third party.
    c. *Gifts, Gratuities and Entertainment.* A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:
        i. does or is seeking to do business with, or is a competitor of WACOSA; or

ii. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from WACOSA;
iii. is a charitable organization operating in Minnesota;
iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of WACOSA.

3. Procedures.

   a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

   b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the Chair/President of the meeting all facts material to the Conflict of Interest. The Chair/President shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

   c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

   d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of WACOSA has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.

   e. Responsible Persons who are not members of the Board of Directors of WACOSA, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the Chair/President or the Chair/President's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect WACOSA's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair/President or the Chair/President's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

4. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of WACOSA. Furthermore, a Responsible Person shall not disclose or use information relating to the business of WACOSA for the personal profit or advantage of the Responsible Person or a Family Member.

5. Review of policy.

   a. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.

b. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to WACOSA. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair/President, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

WACOSA reserves the right to amend, modify, remove, suspend, terminate, or change this policy in whole or in part at any time with or without notice.

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Acknowledgement Form

Name (please print): _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in WACOSA's Policy on Conflicts of Interest).

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I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by WACOSA's Policy on Conflicts of Interest and Disclosure of Certain Interests that is currently in effect.

Signature: _____ Date: _____