

Conflict of Interest Policy

Preamble

The reputation and effectiveness of the Grand Rapids Community Media Center (GRCMC) depends upon maintaining the highest levels of credibility, confidence and trust in the communities it serves and with its friends and supporters. Eligibility for Board of Directors and staff positions, and the decisions and activities of the Board of Directors (“Board”) and staff shall be governed by honesty, good faith, and a fiduciary responsibility to the organization and the communities it serves. To protect the organization’s reputation for objectivity and fairness, actual, potential and perceived conflicts of interest shall be identified and managed through disclosure, recusal or other means.

General Guidelines

Persons shall avoid conflict of interest in their duties to GRCMC 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 shall conduct themselves with honesty and fair dealing between themselves and GRCMC. Such persons shall not use their position or knowledge gained during their association with GRCMC for private benefit nor to obtain an unfair advantage over any aspect of their dealings with GRCMC.

Any individual who perceives the likelihood of serious or repeated conflicts between a duty to serve the public benefit and that person’s individual interests should not serve on the board or staff, both for legal reasons and to preserve GRCMC’s reputation and credibility.

The Governance Committee of the Board will review this policy bi-annually.

Specific Types of Conflicts of Interest

In particular, Insiders must understand the following conflict of interest concepts:

1. Self-Dealing: Any situation where an Insider may appear to financially benefit from an action taken by GRCMC
2. Opposing Loyalties: Any situation where an Insider has opposing or competing loyalties due to other business or personal relationships
3. Loss of Public Credibility: Any situation where a Board member or employee’s actions in professional or personal roles not associated with GRCMC may cause harm to the public credibility of GRCMC
4. Employment: Any situation where a Board member may have a relationship with or be related to a staff member and vice versa or where a staff member may supervise or hire a family member or individual with whom they have a relationship
6. Not Acting in Good Faith; action or intent of harming the organization or its officers
7. Waiting Period: A former staff member is not eligible to serve as a board member, and vice versa, for a minimum of two years following the departure from the previous position, and must have departed in good standing, unless otherwise waived by the board

Definition of Conflict of Interest

A conflict of interest exists when an Insider (as defined below) has a material financial interest in a transaction or activity under consideration by the Board of Directors or a committee of GRCMC, or when that person proposes to act on any issue, matter, or transaction in which GRCMC has an interest, and in which the Insider may have an interest separate from that of GRCMC. A conflict of interest may also exist in situations in which there is an appearance that an Insider is utilizing, for his or her own benefit

or self-interest, inside information that is proprietary to GRCCM, is acting in his or her own interests rather than the best interests of GRCCM, has the ability to exercise undue influence over GRCCM's decisions, or is receiving favorable treatment by GRCCM because of his or her status as an Insider.

Insiders are:

- Staff of GRCCM
- Members of the Board of Directors
- Contractors or vendors
- Members of standing or advisory committees or task forces
- Substantial Contributors, defined as any individual, corporation or foundation that makes a gift or pledge of \$25,000 or more at any one time or cumulatively within a five-year period (cash, appreciated securities, other assets)
- Parties related to the above (as defined by the IRS)
- Those who have an ability to influence decisions of the organization
- Those with access to information not available to the general public

Obligations of Employees, Board and Committee Members:

Each Insider - Persons with access to privileged information, Employee, Board or Committee Member - is obliged:

1. To disclose to the Board, Executive Director, or committee of the Board on which he or she serves, the existence of any actual, potential, or perceived conflict of interest (See Bi-annual & Periodic Disclosure Statements, below).
2. To abstain from discussing with Board members or committee members any issue, matter, or transaction in which he or she has an actual, potential, or perceived conflict of interest unless requested by the board or committee to give information on the issue, matter, or transaction.
3. To excuse himself or herself from Board and committee discussions on any issue, matter or transaction involving a conflict of interest.
4. To abstain from voting on any such issue, matter, or transaction.

Bi-annual & Periodic Disclosure Statements

All Persons with access to privileged information, Employees, Board or Committee Members shall sign a Conflict of Interest Disclosure Statement as provided by the GRCCM bi-annually. A Conflict of Interest Disclosure Statement must be signed whenever (1) one first becomes subject to this Policy, or if (2) there has been any material change in a person's responses to a previously provided statement.

The disclosure statement shall document any known or potential conflict of interest and affirm that such person:

1. Has received a copy of the Conflict of Interest Policy,
2. Has read and agrees to abide by the policy, and
3. Understands that the GRCCM is a 501(c)(3) charitable organization, and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

The Conflict of Interest Disclosure Statements shall be reviewed by and maintained by the **Executive Director**, unless a conflict with the Executive Director is disclosed, in which case the disclosure/statement shall be reviewed by the Executive Committee of the Board.

Obligations of the Board in Conflicted Situations

At every Board meeting, the Board will determine if any agenda item requiring Board action poses a conflict of interest for any Insider. When a transaction, contract, or project of GRCCM involves an actual,

potential, or perceived conflict of interest with an Insider as revealed by the Insider and/or determined by the Board, the Board shall act in one of the following ways:

1. When the Insider is a Board member, that member may be invited to share information about the matter or transaction and the conflict or interest. That member shall then leave the room during discussion, action or vote on the matter or transaction.
2. When the Insider who is a Board Member has left the room, or when the matter or transaction involving an insider who is not a Board member is taken up by the Board, the Board shall act in one of the following ways:
 - A. Reject such transaction, contract or project when warranted by the nature and magnitude of the conflict of interest or a determination that approval would be harmful to the organizations' reputation for objectivity and fairness.
 - B. Approve such transaction, contract, or project only after making specific findings that:
 - i. A more advantageous transaction or arrangement that would not give rise to a conflict of interest is not reasonably possible;
 - ii. The transaction, contract, or project is fair and benefits GRCMC and its objectives;
 - iii. The transaction, contract, or activity is approved with the Board's full knowledge of its financial or other benefit to the Insider who has the conflict of interest.
3. The discussion and resolution of such transaction, contract, or project, as well as the fact that an Insider Board Member left the room shall be included in the minutes of the Board meeting.

In the case of Personnel Hiring

In addition to the general Obligations of the Board in a Conflicted Situation when hiring an Executive Director, GRCMC will assure that:

1. There is documentation that a position announcement (including job responsibilities, compensation and application procedures) is appropriately advertised;
2. That the selection process is fair to all candidates;
3. That the individual selected meets the qualifications advertised for the job

When the Executive Director hires staff, GRCMC will assure compliance with the GRCMC Personnel Policy, particularly regarding the hiring of parties related to current staff members and of board members.

In the Case of Compensation of Insiders

As a general rule, the Board shall not retain Board members or their firms or persons related to a Board member for services for which they are compensated. However, there may be occasions when the special expertise of a member of the Board or one of the individuals identified above may be advantageous to the Organization. In those circumstances, the Board shall take the following steps:

1. Clearly define the project, timeline and deliverables or outcomes and budget in writing;
2. Establish the market value of the service;
3. Advertise using current appropriate mechanisms (print, electronic media) and for a reasonable period of time;
4. Only accept written bids;
5. Evaluate all applicants on uniform and established criteria;
6. During discussion of selecting the best candidate, the Board member applying for the job/contract shall not be involved in the deliberations or in attendance at the discussion or decision-making.

The Board shall document the steps in the process leading up to the decision, and a full and complete accounting of the transaction shall be maintained in the files documenting the rationale for the costs associated with the transaction.

Board members may be reimbursed for out of pocket expenses when receipts documenting business

related to the GRCCMC are provided and approved in advance by the Executive Director.

Violations of the Conflict of Interest Policy

If a GRCCMC employee or member of the Board has reasonable cause to believe that an Insider has an actual or possible conflict of interest, he or she shall report the violation of the Conflict of Interest Policy to the **Executive Director or Board President**. The Executive Director or President shall inform the Insider of the report of reasonable cause, and in the company of one other Board member, shall afford the Insider the opportunity to explain. If the explanation of the Insider is not fully satisfactory and a violation may have occurred, the Executive Director or President shall involve the Governance Committee for further investigation and possible corrective action. The result of any investigation or corrective action shall be reported to the Board for inclusion in the minutes.

Other Conflicts

Confidentiality

Officers and Staff have access to confidential information about the organization's finances, plans, donors and personnel that must be held in confidence. No such information should be sought out, without permission. Any breach of confidentiality in such information is a violation of this policy.

Non Solicitation

Any employee, member of the GRCCMC Board of Directors, or committee member shall refrain from using any confidential or privileged information on GRCCMC donors for personal or private solicitation purposes at any time during the term of their affiliation, and for two years following their affiliation.

Grand Rapids Community Media Center
Conflict of Interest Disclosure Statement

I have read and will abide by the Grand Rapids Community Media Center's Conflict of Interest Policy as approved by the Board of Directors on . I understand Grand Rapids Community Media Center is a 501 (c)(3) charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. I agree to conduct myself in accordance with the policy, including making the necessary disclosures when such situations arise.

I have listed below any affiliations, interests, and/or transactions in which I have taken part, which when considered in conjunction with my position or relationship to the Grand Rapids Community Media Center, might possibly constitute a "conflict of interest."

Please Print

NAME

POSITION

For Employees

Employment Relationship External to Grand Rapids Community Media Center:

Please describe any employment relationship(s) you have in addition to your employment with or appointment to Grand Rapids Community Media Center (including consulting activities, governance/directorship appointments, etc.)

For Employees and Board Members (and potential board candidates)

Business Relationship (for Board Members and Employees)

Please identify and describe any business arrangements you or a family member have with Grand Rapids Community Media Center.

Outside Activities

Please identify any outside activities in which you or a family member participate which might constitute a conflict of interest (Example: Holding a position as an officer, director or consultant to a business entity providing or receiving products or services to/from Grand Rapids Community Media Center)

Outside Interests

Please identify any holdings of a material interest (such as business arrangement, stock, co-owner in a Grand Rapids Community Media Center vendor) in a firm that does business with Grand Rapids Community Media Center.

Gifts and Entertainment

Please identify any gifts, entertainment or other items of value exceeding \$100 received from any business that does business with Grand Rapids Community Media Center.

Other:

Please list any other activity in which you or a family member are engaged which might be regarded as constituting a conflict of interest.

SIGNATURE

DATE