



Vermont Historical Society

Conflict of Interest Policy

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Vermont Historical Society
Conflict of Interest Policy
(Adopted 8/1/07)

Article I

Purpose: The purpose of the conflict of interest policy of the Vermont Historical Society (VHS) is to protect the society's interest, its tax-exempt status, and public confidence in its accountability when it is entering into a transaction that might benefit the private interest of an officer, trustee, or member of the staff of the organization. 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.

Article II

Definitions:

1. Interested Person: Any trustee, officer, staff member, or member of a committee with board of trustee delegated powers, who has a close personal or financial interest, as defined below, is an interested person.
2. Conflicting Interest: A person has a conflicting interest if the person has, directly or indirectly, through business, investment, spouse, or close personal relationship:
 - a. An ownership or investment interest in any entity with which the VHS has a transaction or arrangement,
 - b. A compensation arrangement with the VHS or with any entity or individual with which the VHS has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the VHS is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors with a value in excess of \$100.

Article III

1. Duty to Disclose: In connection with a proposed transaction, an interested person must disclose the existence of the conflicting interest to the board president or VHS executive director and/or members of committees involved.
2. Determining Whether a Conflict of Interest Exists: After disclosure of the potential conflicting interest and material facts, the interested person shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. Procedures when a Conflict of Interest exists:
 - a. The interested person shall refrain from advance discussion of the transaction with board or committee members.
 - b. The interested person may make a presentation at the board of trustees or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion

and vote on the transaction.

4. Violations of the Conflicts of Interest Policy

- a. If the board of trustees or committee has reasonable cause to believe a trustee or staff member has failed to disclose actual or possible conflicts of interest, it shall inform the trustee or staff member of the basis for such belief and afford the trustee or staff member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the trustee's or staff's response and after making further investigation as warranted by the circumstances, the board of trustees or committee determines the trustee or staff member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the board of trustees and all committees with board delegated powers shall contain the names of those who disclosed or were found to have a conflicting interest and the action taken to avoid it. Minutes will note for the record when a trustee or staff member has excused himself/herself from the board or committee meeting and any related vote in the event of a potential conflict of interest or the appearance of a conflict of interest.

Article V

Conflict of Interest Statements

Upon joining the board or at the onset of employment, each trustee, officer, staff member, or member of a committee with board of trustee delegated powers shall sign the statement attached as Appendix A.

Article VI

Periodic Reviews

To ensure the VHS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Trustees/Governance Committee. The periodic reviews shall determine whether partnerships, joint ventures, and arrangements with management organizations conform to the society's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in private benefit or in an excess benefit transaction.

APPENDIX A

Conflict of Interest Statement

As a member of the Board of Trustees, staff, or committee of the Vermont Historical Society, I, _____ have read the society's conflict of interest policy and understand the society's tax-exempt purpose. I have personally committed to follow the standards set out below:

- I will conduct my activities with the society so that I do not advance or protect my own interests, or the private interests of others with whom I have a close personal or financial relationship, in a way that is detrimental to the interests or mission of the society.

- When I represent the society, I will conduct my activities to best promote the interests of the society.

- In any matter that comes before the society or its Board of Trustees for a vote that may favorably affect my own financial interests, or the private interest of others with whom I have a close personal or financial relationship, I will disclose that relationship and abstain from a vote in the matter.

Upon or before election, hiring or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

Agreed to this the _____ day of _____, 20__

Signature