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## CONFLICT OF INTEREST POLICY

### *For Board of Directors, Officers, and Members with Board Delegated Powers*

#### **Article I - Resolution**

1. The purpose of this conflict of interest policy is to safeguard Veterans Ending The Stigma's welfare, safety, and security when it is considering entering into transaction or agreement that might benefit the private interests of a director or officer of Veterans Ending The Stigma or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, not replace, any previously standing and applicable state and federal laws governing conflicts of interest relevant to nonprofit and charitable groups and organizations.
3. This policy is also proposed to classify "independent" contractors.

#### **Article 2 - Definitions**

1. Person of Interest - Any director, principal officer, or member of a committee with governing Board delegated powers, who has direct or indirect financial interest, as defined below, is a person of interest.
2. Financial Interest - A person has a financial interest if the person has, directly or indirectly, through commercial, investment, or domestic relation:
  - a. An proprietorship or investment interest in an entity with which Veterans Ending The Stigma has a transaction of arrangement,
  - b. A compensation arrangement with Veterans Ending The Stigma or with an entity or individual with which Veterans Ending The Stigma has a transaction or arraignment, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Veterans Ending The Stigma is negotiating transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not automatically a conflict on interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists, in accordance with this managerial policy.
3. Independent Contractors - A director shall be considered "independent" for the purposes of this policy if the individual contracted is "independent" as defined in the instructions for the IRS 990 Form or, until such definition is available, the contractor -
  - a. is not, and has not been for a period of at least three years, an employee of Veterans Ending The Stigma or an entity in which Veterans Ending The Stigma has a financial interest;



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- b. does not directly or indirectly have a major business relationship with Veterans Ending The Stigma, which might affect independence in decision-making abilities.
  - c. Is not employed as an executive of another corporation where any of Veterans Ending The Stigma's executive officer or employees serve on that corporation's compensation committee; and
  - d. does not have an immediate family member who is an executive director, officer of Veterans Ending The Stigma or who holds a position that has a significant financial relationship with Veterans Ending The Stigma.

### **Article 3 – Procedures**

1. **Duty to Disclose** – In association with any potential or genuine conflicts of interest, a “person of interest” must disclose the existence of financial interest and be granted the chance to disclose all material facts to the Board of Directors.
2. **Recusal of Self** – Any director may recuse himself or herself at any time from participation in any decision or discussion in which the director believes her or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists or not.
3. **Determining Whether a Conflict of Interest Exists** – After disclosure of the financial interest and all material evidences, and after any conversation with the “person of interest”, he/she shall leave the Board of Directors meeting while the determination of a conflict of interest is deliberated and voted upon. The remaining Board members shall decide if a conflict of interest is present.
4. **Procedures for Addressing the Conflict of Interest**
  - a. A “person of interest” may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction and arrangement concerning the potential or genuine conflict of interest.
  - b. The Board of Directors shall, if appropriate, appoint a disinterested person or committee to examine alternatives to the suggested transaction or arrangement.
  - c. After exercising due diligence, the Board of Directors shall determine whether Veterans Ending The Stigma can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested entity whether the transaction or arrangement is in Veterans Ending The Stigma's best interest, for its own benefit, and whether it is fair and reasonable. In conventionality with the above resolution, it shall make its decision as to whether to enter into the transaction or arrangement.
5. **Violations of Conflict of Interest Policy**
  - a. If the Board of Directors has just and sensible cause to believe a member has failed to disclose potential or genuine conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.



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- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors will determine if the member has failed to disclose a potential or genuine conflict of interest, it shall take suitable disciplinary and remedial action.

#### **Article IV - Records of Proceedings**

The Board of Directors meeting minutes shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with a potential or genuine conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Director's decision as to whether a conflict of interest in fact occurred.
2. The names of persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the minutes.

#### **Article V - Annual Statements**

1. Each director, officer, and member of a committee with Board of Director delegated powers shall annually sign a statement which affirms such persons:
  - a. have received a copy of the conflict on interest policy,
  - b. have read and fully comprehends the policy,
  - c. has agreed to comply with the policy, and
  - d. understands Veterans Ending The Stigma is charitable and in order to maintain its state and federal tax-exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
2. Each voting member of the Board of Directors shall annually sign a statement which declares any independent freelancers bound by contract or analogous agreement.
3. If at any time during the year, the information in the annual statement changes materially and substantially, the Board of Directors shall disclose such changes and revise the annual disclosure form.
4. The Board of Directors shall regularly and constantly monitor and enforce compliance with this policy by appraising annual statements and taking such actions as are compulsory for efficacious oversight.



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### **Article VI - Periodic Reviews**

To ensure that Veterans Ending The Stigma functions in a fashion consistent with charitable purposes and does not engross itself in activities that could endanger its tax-exempt status, periodic evaluations shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to Veterans Ending The Stigma's written policies, are properly recorded, reflect reasonable investment or disbursements for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

### **Article VII - Use of External Experts**

1. When conducting the periodic reviews as provided for Article VII, Veterans Ending The Stigma may, but need not, use outside advisors. If outside experts are utilized, their use shall not relieve the Board of Directors of their responsibility for ensuring reviews are conducted and compliance is achieved.

