Conflict of Interest Policy

NO ASSOCIATION OFFICIAL SHALL, DIRECTLY OR INDIRECTLY, HAVE ANY INTEREST OR RELATIONSHIP, TAKE ANY ACTION OR ENGAGE IN ANY TRANSACTION, OR INCUR AN OBLIGATION WHICH IS IN CONFLICT WITH, OR GIVES THE APPEARANCE OF A CONFLICT WITH, THE PROPER AND FAITHFUL PERFORMANCE OF HIS OR HER ASSOCIATION RESPONSIBILITIES.

Whistleblower Policy

CHARGES THE ASSOCIATION WHISTLEBLOWER OFFICER WITH OVERSEEING AND IMPLEMENTING PROCEDURES WHEREBY ANY PERSON WITH REASONABLE CAUSE TO BELIEVE AN ASSOCIATION OFFICIAL OR EMPLOYEE HAS ENGAGED OR IS ABOUT TO ENGAGE IN MISCONDUCT CAN MAKE A WRITTEN NOTIFICATION, ANONYMOUSLY IF REQUESTED, AND HAVE THE ALLEGATION ADDRESSED WITHOUT FEAR OF RETALITAION.

- **Duty of Care**
  - Good business judgment at all times
  - Due diligence in decision making
- **Duty of Loyalty**
  - Act in the best interest of the association and the members
  - Avoid conflicts of interest
- **Duty of Obedience**
  - Faithful to the mission and goals
  - Follow the governing documents

**Group Discussion Questions**

Review the following scenarios and be prepared to discuss your group’s answer.

1: A board member with building access uses the company’s meeting space to hold an unrelated business meeting for her personal consulting business. The meeting is conducted after hours, while the building is not in use. The board has authorized open access to the building for all board members. What is the potential breach of duty and how could it be corrected?

2: You have just been elected to the board. Your best friend who is a board officer has been your supporter and has encouraged your participation. At an out of state conference, your friend has bought several drinks and paid for dinner for you and for your brother who met up with you at the event. You offer to reimburse your friend. The friend says, “No, don’t worry, this is a ‘business expense,’” and winks at you. As a new board member you are uncomfortable, but worried you will be an outsider if you speak up further. You have been provided with the board policies on travel expenses and know this is a violation. What should you do? Which duty is at risk?
3: A board member is part owner of a printing business which she has not disclosed to the board. The board member has insider information regarding the meetings and events to be held for the association in the next year. The board member has her partner prepare a bid for services and submit the bid to the association. The bid comes in below other vendors due to information the board member provided to her business partner. The association votes to approve the board member’s printing business. Which duty is violated? What change in facts could result in a positive situation for the board member?

4: A board member also sits on the board of an organization that has some common interests with the association. The “other” organization has just taken a vote of non-support of a very controversial legislative issue on the next election’s ballot. At the following association meeting, discussion of the issue ensues and it is discovered that the association needs to support the legislative issue for financial reasons. The board member attempts to sway other members to vote against supporting the legislation because she strongly believes the other organization has a higher stake in the outcome. And after all, she has a duty of loyalty to the other organization. What duties are violated by the board member? Is there a fact change that would resolve any violation?

5: The board meeting has ended for the day and several board members head for the local watering hole to grab a drink. While socializing, two of the board members witness another board member making some fairly obvious advances towards a staff member who happened to be there with friends. The staff member is visibly upset and leaves. As the drinks continue to flow, the board member is not deterred and continues to ply others in the place with his “charms.” The advances are not well received, ending in a newly elected female board member slapping his face. The next day he brings it up jokingly and blames it on the alcohol. Has any duty been violated? What about policies? Is there any responsibility of the witnesses to address the issue since it was not on “company time”?

6: The board meeting has ended after a long day of deliberations surrounding a highly controversial bill recently introduced in the House. You know you are supposed to go along with the board decision on supporting the bill, but it does not sit well with you personally. That evening, during your son’s football game, a friend who reports for the evening news asks you about the issue. You discuss the contention and the close vote and how you do not support the bill. Your conversation ends up on the evening news. The headline reads, “Association In Complete Turmoil Over Bill.” Your name is not mentioned, but you realize the information came from you. What duty have you violated? What action if any might you take?