

# **Garden Club Federation of Maine**

## **Conflict of Interest Policy**

### **Purpose:**

The Garden Club Federation of Maine is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the Garden Club Federation of Maine is subject to scrutiny by and accountable to such governmental authorities as the IRS, state regulatory and tax officials as well as to its members.

Consequently, there exists between the Garden Club Federation of Maine and its board, officers, and members a fiduciary duty. The board and officers have the responsibility of administering the affairs of the Garden Club Federation of Maine honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of The Garden Club Federation of Maine. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the Garden Club Federation of Maine or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

### **Persons Concerned:**

This statement is directed not only to the board of directors and officers, but to all members who can influence the actions of the Garden Club Federation of Maine. For example, this would include all who make purchasing decisions, all persons who might be described as management and anyone who has proprietary information concerning the Garden Club Federation of Maine.

### **Sample Areas Conflict May Arise:**

Conflict of interest may arise in the relations of directors, officers and management with any of the following third parties:

1. Persons and firms supplying goods and services to GCFM.
2. Persons and firms from whom GCFM leases property or equipment.
3. Persons and firms with whom GCFM is dealing or planning to deal in connection with purchase or sale of real estate, securities, or other property.
4. Donors and others are supporting GCFM.
5. Agencies, organizations, and associations which affect the operations of GCFM.
6. Family members, friends, and other members.

### **Nature of Conflicting Interest:**

1. Holding office, serving on the board, participating in management, being otherwise employed (or formerly employed), or a family member with any third party dealing with GCFM.
2. Receiving remuneration for services with respect to individual transactions involving GCFM.

3. Using GCFM's equipment, supplies, or good will for other than GCFM approved activities, programs and purposes.
4. Receiving personal gifts or loans from third parties dealing or competing with GCFM.

**Disclosure Policy and Procedure:**

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed.
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction.
3. The board or duly constituted committee has determined that the transaction is in the best interest of GCFM.

Disclosure in the organization should be made to the board chair, who shall bring the matter to the attention of the board and/or committee. The board/committee shall determine whether a conflict exists and in the case of an existing conflict, whether the transaction may be authorized as just, fair and reasonable to GCFM. The decision of the board/committee on these matters will rest in their sole discretion, and their concern must be the welfare of GCFM and the advancement of its purpose.

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I \_\_\_\_\_ have read and understand the Garden Club Federation of Maine's conflict of interest policy. I agree that if I become aware of any information or become involved in any situation that might indicate that a conflict of interest as outlined in this document I will disclose this immediately to the board chair for further consideration.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Copy for file

Copy for signing member