

CONFLICT OF INTEREST POLICY
of
COHASSET COMMUNITY ASSISTANCE FUND, INC.

ARTICLE 1 Purpose

The purpose of this conflict of interest policy is to protect the interests of Cohasset Community Assistance Fund, Inc. (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or key employee of the Corporation. 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 2 Definitions

- (a) Interested Person. Any director, officer, or key employee who has a direct or indirect financial or duality of interest, as defined below, is an interested person.
 - (i) **Director**. Director means a voting member of the Corporation’s governing body. For purposes of this policy, this term also includes a member of a committee with governing board delegated powers.
 - (ii) **Officer**. Officer means a person elected or appointed, pursuant to the Corporation’s organizing document, bylaws, and state law to manage the organization’s daily operations, such as a president, vice-president, secretary, or treasurer. The Corporation’s top management official and top financial official (the person who has ultimate responsibility for managing the organization’s finances) are deemed to be an officer.
 - (iii) **Key employee**. Key employee means an employee of the Corporation who meets all three of the following tests:
 - (1) Receives total annual compensation from the Corporation and its affiliates in excess of \$150,000;
 - (2) Has (a) responsibilities, powers or influence over the Corporation as a whole similar to those of the officers and directors; (b) management responsibility for a discrete segment or activity of the Corporation that represents 10% or more of the activities, assets, income, or expenses of the Corporation, as compared to the Corporation as a whole; or (c) authority to control or determine 10% or more of the Corporation’s capital expenditures, operating budget, or compensation for employees; and
 - (3) Is one of up to 20 employees (that satisfy (1) and (2) above) with the highest annual compensation from the Corporation and its affiliates.

- (b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
- (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
 - (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has or is considering a transaction or arrangement, or
 - (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article 3(b), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

- (c) Duality Interest. A person has a duality interest if the person serves as an officer, director, senior employee, or corporation member of an organization or entity, for-profit or non-profit, with which the Corporation has or is considering a transaction or arrangement, including a grant or funding arrangement.

A duality interest is not necessarily a conflict of interest. Under Article 3(b), a person who has a duality interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE 3 Disclosures

- (a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial or duality interest and be given the opportunity to disclose all material facts to the directors and board-level committees considering the proposed transaction or arrangement.
- (b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial or duality interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing 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.

ARTICLE 4 Addressing the Conflict of Interest

- (a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- (b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, which may include obtaining comparability studies, valuations, or appraisals, the governing board or committee shall determine whether the Corporation 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

ARTICLE 5 Records of Proceedings

The minutes of the governing board, and all relevant committees, related to carrying out this policy shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial or duality interest in connection with an actual or possible conflict of interest, the nature of the financial or duality interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the 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 proceedings.

ARTICLE 6 Compensation

- (a) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE 7 Annual Statements

Each director, officer, and key employee shall annually sign a statement affirming that such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands that the Corporation is charitable 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.

ARTICLE 8 Violations of the Conflicts of Interest Policy

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

ARTICLE 9 Periodic Reviews

To ensure that the Corporation 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. The periodic reviews shall, at a minimum, occur annually and include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- (c) Whether this Conflict of Interest Policy adequately address the needs of the Corporation and is being sufficiently complied with by the Corporation.