

CONFLICT OF INTEREST POLICY: GENESEE BOARD MEMBERS

1. **Policy Accountable Owner and Identifier Key Word(s):**
 - a. The Conflict of Interest policy owner is the Genesee board (BOD).
 - b. Key words for the Conflict of Interest policy are:
 - i. Conflict of interest
 - ii. Colorado Revised Statute 7-128-501
 - iii. Financial interest
 - iv. Loans
 - v. Related to a director
2. **Policy Name:** Conflict of Interest.
3. **Purpose for policy:** This policy is intended to inform board members, potential board members, and community members about conflicts of interest for board members.
4. **Policy details and specialized content if any:**
 - a. The Conflict of Interest Form must be signed by all Genesee Foundation board members annually immediately after the annual November elections.
 - b. The Conflict of Interest Form reads as follows:

“Conflict of Interest: Genesee Board Members

This policy shall apply to Genesee Foundation board members in situations where conflicts of interest arise or exist. The controlling statute as of this date is Colorado Revised Statute 7-128-501, set forth verbatim below in italics.

1. A “conflict of interest” of a board member is a “conflicting interest transaction,” as defined in 7-128-501.
2. When a conflict of interest arises or exists, the provisions of 7-128-501 shall govern and control the conduct of the board member(s), the disclosure and resolution of the conflict of interest, and any action taken with respect to a conflicting interest transaction.
3. This policy shall be reviewed when new legislation is adopted by the Colorado legislature specific to “conflicts of interest,” in non-profit or homeowner association boards or as otherwise determined by the Genesee Foundation board.

COLORADO REVISED STATUTE

7-128-501. Conflicting interest transaction. (1) As used in this section, “conflicting interest transaction” means: A contract, transaction or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest.

(2) No loans shall be made by a corporation to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

(3) No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the nonprofit corporation, solely because the conflicting interest transaction involves a director of the nonprofit corporation or a party related to a director or an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest or solely because the director is present at or participates in the meeting of the nonprofit corporation’s board of directors or of the committee of the board of directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the director’s vote is counted for such purpose if:

(a) The material facts as to the director’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director’s relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

(c) The conflicting interest transaction is fair as to the nonprofit corporation.

(4) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

(5) For purposes of this section, a “party related to a director” shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

Policy Approval:

- **Approved By: Board of Directors**
- **Supersedes: Code of Conduct: Genesee Foundation Board of Directors, April 12, 2017 (after review of June 8, 2011 and November 9, 2006 versions)**
- **Approval Date: August 09, 2017**
- **Review Date: 5 years**