

**Girl Scouts in the Heart of Pennsylvania
Conflict of Interest Policy
May 2007**

CONFLICT OF INTEREST POLICY

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PURPOSE

The purpose of this Policy is to ensure that the directors and Board Development Committee members of Girl Scouts, Girl Scouts in the Heart of Pennsylvania (GSHPA) are not prevented from performing services on behalf of GSHPA solely because of possible conflicts of interest on their part, and that the directors and members will be able to govern and serve the best interests of GSHPA by exercising their best care, skill and honest judgment on its behalf.

Throughout this document the term “her” or “she” will be used to represent either gender.

A director or member may have an actual or potential conflict of interest (1) based on her personal or family relationships, interests, or transactions or (2) because of her relationship as an owner, creditor, agent, officer, director, employee or member of another entity. The objectives identified above will be promoted by:

- (1) full disclosure by directors and members of all personal and outside interests that may affect or be affected by GSHPA’s operations or by decisions that the director or member makes on GSHPA’s behalf and
- (2) establishment of guidelines for determining when actual and potential conflicts of interest occur and of principles and procedures for addressing actual and potential conflicts.

Each actual or potential conflict of interest that is disclosed should be carefully examined and appropriate measures put into place to maintain the balance between ensuring fair and honest deliberations and encouraging participation of qualified directors and members.

POLICY

I . Disclosure

- A. **Duty to Disclose.** Each director and Board Development Committee member shall disclose the existence and nature of any personal and outside interest that may affect or be affected by GSHPA’s operations or by decisions that the director or member makes on GSHPA’s behalf.
- B. **Initial Disclosure.** Within thirty (30) days after adoption of this Policy by the Board of Directors, each director and Board Development Committee member shall disclose to the Board of Directors on the questionnaire attached as Exhibit A:
 1. any interest, including a financial interest, office, directorship, membership or employment, in or with any person, organization, institution, or business with which GSHPA competes or does business or could reasonably be expected to compete or do business; and

2. any other possible conflict of interest which he or she has or could reasonably be expected to have as a result of his or her service as a director or member.

The interests disclosed at this time may not be actual or even potential conflicts of interest but nevertheless should be disclosed in the event these interests become actual or potential conflicts of interest and/or have a material impact on GSHPA's plans and operations.

- C. **Disclosure Upon Appointment/Election of New Director or Member.** Upon appointment or election, a new director or member shall disclose to the board the same information listed in ¶ I.B. above on the questionnaire attached as Exhibit A.
- D. **Annual Disclosure.** Within three (3) months following the close of each fiscal year, every director or member shall complete the questionnaire attached as Exhibit A and submit it to the Board of Directors.
- E. **Continuing Duty.** If, prior to the next annual disclosure, (1) any personal or outside interest on the part of any director or member develops that has not previously been disclosed to the Board of Directors, or (2) an existing personal or outside interest on the part of any director or member that had not been disclosed becomes an interest that could present a potential or actual conflict of interest, such interest shall be promptly disclosed and made a matter of record.

II. Determination of a Conflict of Interest

A. Definition of Conflict of Interest:

A personal or outside interest of a director or Board Development Committee member that conflicts with, or that may in the foreseeable future conflict with, in fact or appearance, the operations or interests of GSHPA, in that the promotion of such interest may be inconsistent with the promotion of the best interests of GSHPA.

The following list includes examples of activities that are likely to constitute a conflict of interest.

- i. *The director or member has a direct or indirect financial interest in any competitor or supplier, or the director or member accepts directly or indirectly from any competitor or supplier any (A) salaries, fees, commissions or other compensation, (B) loans or other credit facilities, or (C) gifts or favors of more than nominal value. A financial interest includes an ownership interest, a compensation arrangement, a loan, a gift of more than nominal value or any other interest or arrangement with monetary value.*

ii. *The director or member is a director of or member in any competitor or supplier.*

iii. *The director or member uses GSHPA money, materials, information or other tangible or intangible assets, including GSHPA's reputation, to advance his or her personal outside business, financial or other interests.*

B. **Family Members.** Any business relationship between GSHPA and a family member of any director or member, or any financial interest held by such family member, shall be deemed a business relationship or financial interest belonging to that director or Board Development Committee member for purposes of this Policy. Family member is defined to include members of the immediate family of a director or Board Development Committee member (regardless of where they live) and those persons living in the same household with the director or Board Development Committee member.

C. **Prohibited Relationships.** The following relationships are deemed inherently so subject to a conflict of interest that they are prohibited.

1. A director shall not while serving as a director also serve as an operational volunteer for GSHPA or as a national operational volunteer for the Girl Scouts of the USA. This prohibition does not apply to girl members of the Board of Directors or to family members of directors.

2. A director or Board Development Committee member who wishes to become a candidate for an employed position with GSHPA or with Girl Scouts of the USA shall resign prior to submitting an application for the position. An immediate family member of a director or Board Development Committee member may not become a candidate for an employed position with GSHPA or with Girl Scouts of the USA unless the director or Board Development Committee member, as the case may be, resigns prior to submission of the application for the position.

3. A director or Board Development Committee member (including an immediate family member of a director or Board Development Committee member) may not be an employee of GSHPA or of Girl Scouts of the USA.

D. **Abstention from Deliberations.** If during board or Board Development Committee deliberations, a director or member (as the case may be) discloses an actual or potential conflict of interest, the individual shall leave the board or committee meeting after providing all material information to the board or committee and answering questions. The remaining directors or members shall decide if a conflict of interest exists.

- E. **Conflicting Duties.** In certain circumstances, a director or member disclosing an actual or potential conflict of interest may be faced with conflicting duties such that the disclosure of the actual or potential conflict of interest would breach the director's or member's duty of confidentiality to another organization. In such cases, the individual should state that an actual or potential conflict of interest exists and that his or her duties to another organization preclude full disclosure of the nature or extent of the interest. The director or member should leave the meeting during discussion and vote. The disclosure should be recorded in the minutes of the meeting, in accordance with ¶ IV.

III. Procedures for Addressing Conflicts of Interest

- A. **Voting.** No director or Board Development Committee member having a conflict of interest on any matter shall vote on that matter or be counted in determining the quorum for the meeting at which the vote is taken, even when permitted by law. No individual having a conflict of interest on any matter shall use his or her personal influence on the matter.
- B. **Participation by Representative with Conflict.** These requirements shall not be construed to prevent an individual from briefly stating his or her position on any matter where appropriate or from answering pertinent questions asked by other directors or members, since his or her knowledge may be of great assistance.
- C. **Transactions.** If a conflict of interest is disclosed with respect to a proposed transaction or financial arrangement, the chair of the board shall appoint, if appropriate, a disinterested committee or director to investigate alternatives to the proposed transaction or arrangement, including seeking competitive bids in all possible cases. If the transaction or arrangement is not suitable for competitive bidding and an alternative transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the original proposed transaction or arrangement is in GSHPA's best interests and is fair and reasonable to GSHPA. The board may obtain outside independent advice confirming the financial fairness of the transaction or arrangements. Otherwise, GSHPA shall not enter into contracts, transactions, or financial arrangements in any case in which a director has a conflict of interest unless there has been competitive bidding.
- D. **Need for Resignation or Decision Not to Appoint.** If the board, in its sole discretion, determines that any director or Board Development Committee member (or prospective director or member) has one or more conflicts of interest sufficient in number and/or importance that the effectiveness of such director or member on behalf of GSHPA may be significantly impaired, the board may ask such director or member to resign from (or shall not appoint such representative to) his or her position with GSHPA.

IV. Records of the Proceedings.

The minutes of the board and the committee shall contain:

- A. The name(s) of directors or members who disclosed or otherwise were found to have a personal or outside interest in connection with any matter before the board or committee, the nature of the interest, and the 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 matter, names of individuals abstaining from discussions and votes, the content of the discussion, including alternatives to any proposed transaction or arrangement, and a record of any votes taken.

V. Implementation of the Conflict of Interest Policy

- A. **Responsibility for Implementation.** The Executive Committee will oversee the implementation of the Conflict of Interest Policy. Implementation shall include ensuring that all directors and Board Development Committee members receive a copy of this Policy and comply with disclosure requirements set forth in ¶ I. and that all interests disclosed through that process are brought to the attention of the board during any deliberations that may affect or be affected by the interest.
- B. **Failure to Disclose.**
 - 1. If the board or committee has reasonable cause to believe that a director or member has failed to disclose a personal or outside interest that could constitute a conflict of interest, it shall inform the director or member of the basis for that belief and give the director or member an opportunity to explain the alleged failure to disclose.
 - 2. If, after hearing the response of the director or member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the director or member has in fact failed to disclose a personal or outside interest that could constitute a conflict of interest, the board shall take appropriate disciplinary and corrective action.

VI. State Law

In any case in which the definitions and procedures concerning Director's Conflicting Interest Transactions set forth in sections 33-1128 through 33-1130 of the Pennsylvania General Statutes, as they may be amended from time to time, are more restrictive than this Policy, then the statutes shall govern with respect to any contract, transaction or arrangement that constitutes a director's conflicting interest transaction within the meaning of the statutes.

EXHIBIT A

**GIRL SCOUTS, GSHPA
CONFLICT OF INTEREST STATEMENT
DISCLOSURE FORM FOR
BOARD OF DIRECTORS AND MEMBERS
OF THE BOARD DEVELOPMENT COMMITTEE**

To the Board of Directors:

I have received and read the Conflict of Interest Policy of Girl Scouts in the Heart of Pennsylvania (GSHPA). I understand the Policy and agree to abide by it. Consistent with that Policy I am providing the information requested below to inform GSHPA of (1) any possible conflicts of interest created by my own business, professional or personal activities or financial interests or those of my family and (2) any possible conflicts of interest that may arise by virtue of my employment or other offices, directorships, or memberships that I may hold.

1. Current, past (within the past year) or prospective positions, on my own behalf or on behalf of my employer, as an employee, officer, director, manager, partner, member or other relationship with any person, organization, institution, network or joint venture arrangement:

None_____

2. Current, past (within the past year) or prospective indebtedness in any amount to any person, organization or institution that does or may do business with, or compete with, GSHPA (indebtedness to any bank or other lending institution which is subject to terms and interest rates generally available to the public from those institutions need not be reported):

None_____

3. Current, past (within the past year) or prospective financial interests (including employment) by me or any member of my family in any firm or organization that does or may:

- (a) sell goods or services to GSHPA;
- (b) borrow or loan money from or to GSHPA;
- (c) have any other business connection with the GSHPA; or
- (d) compete with GSHPA:

None _____

4. Other current, past (within the past year) or prospective relationships or interests with any person or entity that might reasonably be deemed to constitute a possible conflict of interest with GSHPA:

None _____

5. Gifts, gratuities or entertainment that I or any member of my family have received within the past year that might be expected to influence (or have the appearance of influencing) my judgment or actions on behalf of GSHPA:

None _____

I agree to report promptly to the Board of Directors any changes in the above information that comes to my attention before the completion of my next questionnaire.

Signature

Name: _____

Position: _____

Date: _____