

DISABILITY RIGHTS NC
BOARD RESPONSIBILITY AND CONFLICT OF INTEREST POLICY

I. Purpose

The Board of Directors is the ultimate governing authority of the Disability Rights NC. Board members share a responsibility for fulfilling the mission of the agency to provide a full range of services vigorously on behalf of its members and in compliance with applicable law and regulations. Board members must be vigilant to protect the agency and its services from arbitrary influences, whether internal or external, which are in conflict with or interfere with the mission of the agency. Board members must make informed decisions that reflect the best interests of Disability Rights NC. This Policy is designed to safeguard the role of the Board in carrying out its responsibilities and to address real or potential conflicts, or the appearance of such conflicts.

II. Definitions

As used in this policy, the term "immediate family member" of a Board member means a person related to the Board member in any of the following relationships: spouse or similar domestic partner, parent or step-parent, sibling (including brother-in-law or sister-in-law), or child or stepchild.

III. Obligations and Responsibilities of Board Members

- A. Board members have a fiduciary responsibility to the agency. Decisions made in a Board member's official capacity must be made on the basis of the member's judgment as to what is in the best interest of the agency. While Board members can and should reflect different backgrounds, experiences, and perspectives, Board members must not be diverted from the best interest of the agency by either conflicting loyalty or interest to others or personal financial gain.
- B. Board members must act in good faith and without malice or deception at all times.
- C. In making decisions or otherwise acting in the official capacity, Board members must exercise reasonable prudence.
- D. Board members should be reasonably informed on issues with respect to which they are called upon to make decisions. Board members may reasonably rely on information or statements from other Board members, staff; or professionals when such information or statement is within the

person's area of competence or expertise or otherwise reasonably merits confidence.

- E. Board members have broad responsibility for planning, policy, and other issues of governance, but should refrain from interfering with the day to day operations of the agency.
- F. Board members shall not represent their personal views as those of the agency, unless the agency has clearly endorsed the same view. Board members shall not invoke the authority of the Board or their position on the Board with respect to actions which are not undertaken as part of their official duties or responsibilities as a Board member *or* officer.
- G. Board members must observe, respect, and maintain confidentiality with respect to information obtained in their role as Board member involving agency strategies or intentions, litigation matters, personnel matters, or any other information which is considered confidential by law, Board policy, or Board agreement during discussion. Board members may choose to not participate in discussion or even leave a Board meeting temporarily in order to avoid exposure to information which they believe might place them in a conflict situation, but no such measure eliminates or mitigates the Board member's obligation to maintain confidentiality of information.
- H. To assist Board members in carrying out their responsibilities, the Board of Directors shall maintain corporate insurance covering Management Errors and Omissions.

IV. Financial Conflict of Interest

- A. Consistent with the status of the agency as a non-profit, tax-exempt corporation, no part of the net proceeds of the agency's operation may be paid to directors and officers of the corporation. However, bona fide expenditures on behalf of the agency, including reimbursements for travel to meetings, may be made pursuant to Board policy.
- B. Board members are prohibited from selling to the agency, through contract or any other purchase arrangement, any goods or professional services while serving as a Board member and for one year after the completion of their term of office. Board members shall not use their membership on the Board to promote their own personal business interests. Board membership by persons who are employees of, or have a substantial ownership interest in, or who are related by marriage or immediate family relationship to an employee or a person with a substantial ownership interest in any businesses supplying goods and services, shall disqualify that business from being considered by the agency for the purchase of any such goods or services. This provision does not prohibit the agency from

reimbursing a family member from serving as an attendant for purposes of enabling a member to attend a Board meeting, or other legitimate Board member expenses.

- C. In the event that the Disability Rights NC is considering the purchase of services or contract with an agency of which a Board member or a member of a Board Committee (or their immediate family member) is an officer, director, or employee, the Board member shall not participate in any discussion & decision regarding such a purchase or award or evaluation of such purchase or award. Similarly, Board members or members of any Board Committee in such a conflict situation shall not participate in setting any bid criteria when the outside organization they are involved with is a prospective bidder on the contract.
- D. Exceptions to the rules established in this section may be made, when in the best interest of Disability Rights NC, following appropriate disclosure, by a 2/3 vote of the Board.

V. Service Conflict of Interest

- A. In the event of Board discussion and decision which affects the strategy, position, perspective, or approach of Disability Rights NC toward a specific agency or organization other than a member agency of which a Board member (or immediate relative of the Board member) is an employee, officer or director, the Board member shall indicate a conflict situation and shall refrain from debating or voting on the issue.
- B. Board members retain the right to abstain from debate or voting when they believe that they are in a position of conflict or what might reasonably create the appearance of a conflict. Board members are encouraged to make such disclosure and refrain from participation in such circumstances.

VI. Disclosures Required

- A. On an annual basis, each Board member and all candidates for the Board of Directors shall complete a Conflict of Interest Disclosure Statement. The statement shall disclose any relationship the Board member and his/her immediate family members may have, through employment, ownership, or role as officer to director in:
 - 1. Businesses which provide goods or services of such a nature as to make Disability Rights NC a potential customer;

2. Any other group, organization, business or agency which the member believes has the potential to create conflict of interest situations for the member.
- B. Upon a significant change in circumstances (such as the development of an ownership interest, or election to another organization's governing board), a Board member shall complete and submit a new or revised Disclosure Statement.
 - C. With respect to specific items of Board discussion or decision, any member of Disability Rights NC or the Executive Director may raise the issue of an actual, potential, or appearance of conflict of interest involving a Board member or a member of a Board Committee which has not been disclosed or identified. For the protection of the Board as well as the individual Board member; any Board member who is aware of such a conflict has a responsibility to disclose or identify it for action by the member or the Board.

VII. Resolution of Conflicts

- A. The Board of Directors shall be the final arbiter of any debate or dispute as to whether a Board member is in a position which creates an actual or a potential conflict of interest, or the appearance of a conflict of interest, and if so, whether this policy and/or the best interest of the agency based on the spirit of this policy, require that the member be disqualified from voting on a specific issue which has been raised for a Board decision.
- B. Because of the importance of a decision limiting *a member's* right to vote, a 2/3 majority of the members present shall be required in order to disqualify a member from voting based on a conflict of interest.
- C. Any disqualification approved by the Board shall be specific to the issue involved and shall not affect the member's right to vote on any other unrelated matter brought before the Board for discussion or vote.