

CONFLICT OF INTEREST POLICY

I. Purpose

All Directors, Officers, and Key Employees owe a duty of loyalty to Girl Scouts Heart of the Hudson, Inc. (the “Council”) that requires them to exercise their powers in good faith and in the best interests of the Council. A conflict of interest occurs whenever the interests of the Council conflict with a competing Financial Interest of a Director, Officer, Key Employee or other Related Party. The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of the Council, a tax-exempt not-for-profit corporation, when it is contemplating entering into a transaction or arrangement that might benefit a Related Party.

This policy is intended to supplement, but not replace, any applicable state or federal laws regarding conflicts of interest applicable to not-for-profit and tax-exempt organizations.

II. Distribution and Acknowledgment of Policy

Prior to his/her election to the Board of Directors of the Council (the “Board”) or employment at the Council, each Director, Officer, and Key Employee shall sign and submit to the Secretary of the Board a Conflict of Interest Policy Certificate which affirms such person: (a) has received a copy of the Policy; (b) has read and understood the Policy; and (c) has agreed to comply with the Policy.

III. Annual Disclosure Statements

Prior to his/her election to the Board or employment at the Council, and for each year of service thereafter, each Director, Officer, and Key Employee must disclose in writing:

- a. Any entity of which such person or a Relative of such person is an officer, director, trustee, member, owner, or employee and with which the Council has a relationship;
- b. Any Financial Interest such person or a Relative of such person may have in any corporation, organization, partnership, or other entity which provides goods or services to the Council for a fee or other compensation; and
- c. Any position or other material relationship such person or a Relative of such person may have with any not-for-profit corporation with which the Council has a business relationship.

These disclosure statements shall be submitted to the Secretary of the Board. A copy of each disclosure statement shall be kept in the Council’s files and made available to any Director, Officer, or currently employed Key Employee upon request. The Secretary also shall provide a copy of all completed statements to the Chair of the Board.

If at any time during his or her term of service, a Director, Officer, or Key Employee acquires any Financial Interest, or when any matter for decision or approval comes before the Board in which a Related Party has a Financial Interest, that Financial Interest or potential Related Party Transaction must be promptly disclosed in writing to each member of the Board, together with all material facts. Failure to disclose to the Board a known Financial Interest, a known Related

Party Transaction, or a known conflict of interest may be grounds for removal from the Board or termination from employment by the Council.

IV. Review and Approval of Related Party Transactions

If the Council is contemplating entering into a Related Party Transaction, the Board must determine if the transaction is fair, reasonable, and in the best interests of the Council at the time of such determination before approving the transaction. All transactions, agreements, or any other arrangements between the Council and a Related Party shall be reviewed by the Board in accordance with the following.

1. Related Party's Involvement. At the Board's request, the Related Party to whom the potential conflict of interest relates may present background information or answer questions regarding the matter prior to the commencement of deliberations or voting on the matter. However, the Related Party must not be present for, or participate in, any deliberations or vote on the matter giving rise to the conflict, and shall not attempt to improperly influence the deliberation or voting on the matter giving rise to the conflict.

A voting member of the Board of Directors or an Officer who receives compensation directly or indirectly from the Council for services, or a Director serving as a voting member of any committee whose jurisdiction includes compensation matters is precluded from voting or acting on matters pertaining to that Director's or Officer's compensation. No voting member of the Board or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Council is prohibited from providing information to the Board or any Committee regarding compensation.

2. Investigation of Alternative Transactions; Review of Comparability Data. As part of their investigation, the Board shall consider alternative transactions to the extent available. If the contemplated transaction pertains to compensation for services or the transfer of property or other economic benefit to a Related Party, the Board must determine that the value of the economic benefit provided by the Council does not exceed the value of the services, property, or other benefit received in exchange. As part of this determination, the Board shall obtain and review appropriate comparable data.

When considering compensation for services, comparable data may include, but is not limited to:

- a. Compensation paid by similarly situated organizations;
- b. The availability of similar services within the same geographic area;
- c. Current compensation surveys compiled by independent firms; and/or
- d. Written offers from similar institutions competing for the same person's services.

When considering a transfer of property, comparable data may include, but is not limited to:

- a. Current independent appraisals of the property; and/or
 - b. Offers received in a competitive bidding process.
3. Approval Requirements. The Board may not approve any Related Party Transaction unless it determines that the transaction is fair, reasonable, and in the Council's best interest at the time of such determination. Approval requires the majority vote of the Directors present at the meeting.
4. Documentation. The Board shall contemporaneously document in the minutes of their meeting:
 - a. The name(s) of the Related Party or Parties who disclosed or otherwise were determined to have a potential or actual Financial Interest and/or conflict of interest;
 - b. The nature of the potential or actual Financial Interest and/or conflict of interest;
 - c. Any actions taken to determine whether a Financial Interest and/or conflict of interest existed;
 - d. The Board's decision as to whether the Financial Interest and/or conflict of interest existed;
 - e. The names of the persons who were present for discussions and votes relating to any potential or actual conflict of interest or Related Party Transaction (including whether the Related Party or Parties left the room for all such discussions and vote);
 - f. The content of such discussions, including the discussion of alternative transactions; and
 - g. The decision by the Board to approve or not approve the Related Party Transaction.

V. Delegation to Committee

The Board may delegate to any Committee composed solely of Independent Directors the oversight of, implementation of, and compliance with this Policy, including the review and approval of any Related Party Transaction; provided that if the Related Party Transaction is of a magnitude that would otherwise require full Board approval, the Committee shall submit the Related Party Transaction to the Board for consideration, with the Committee's recommendation as to whether or not the transaction should be approved.

VI. Definitions

- a. Affiliate: Any entity controlled by, or in control of, the Council.
- b. Board of Directors: The body responsible for the management of the Council
- c. Director: Any voting or non-voting member of the Board of Directors, whether designated as a director, trustee, manager, governor, or any other title.
- d. Key Employee: A person who is, or has within the past five years, been in a position to exercise substantial influence over the Council's affairs. This includes, but is not limited to:

1. Presidents, Executive Directors, Chief Executive Officers, Chief Operating Officers, or any person holding similar responsibilities;
 2. Treasurers, Chief Financial Officers, or any person holding similar responsibilities; and
 3. “Highly compensated” employees (within the meaning of Section 4958 of the Internal Revenue Code and related guidance) who are in a position to exercise substantial influence over the Council’s affairs.
- e. Financial Interest: A direct or indirect economic benefit from any transaction, agreement, or compensation arrangement involving the Council, including, but not limited to, direct or indirect remuneration, or gifts or favors that are not insubstantial.
- f. Independent Director: A member of the Board of Directors who:
1. Is not and has not been an employee of the Council or an Affiliate within the last three years;
 2. Does not have a Relative who is or has been a Key Employee of the Council or an Affiliate within the last three years;
 3. Has not received, and does not have a Relative who has received, more than \$10,000 compensation from the Council (other than reimbursement for reasonable expenses) in any of the last three fiscal years;
 4. Has neither been employed by, nor has had a substantial Financial Interest in, any entity that either made or received payments from the Council exceeding the lesser of \$25,000 or 2% of the entity’s gross revenues in any of the past three fiscal years (for these purposes, payments do not include charitable donations, dues, or fees paid to the Council for services which the Council performs as part of its nonprofit purposes, provided that such services are available to individual members of the public on the same terms);
 5. Does not have a relative who has a substantial Financial Interest or was an Officer of any entity that either made or received payments from the Council exceeding the lesser of \$25,000 or 2% of the entity’s gross revenues in any of the past three fiscal years (for these purposes, payments do not include charitable donations, dues, or fees paid to the Council for services which the Council performs as part of its nonprofit purposes, provided that such services are available to individual members of the public on the same terms);
 6. Is not, and does not have a Relative who is, a current owner (wholly or partially), director, officer, or employee of the Council’s outside auditor or who has worked on the Council’s audit at any time during the past three years; and
 7. Is not in an employment relationship with, or under the control or direction of, any Related Party and does not receive payments subject to the approval of a Related Party.
- g. Officer: A person who has the authority to bind the Council as provided in the Bylaws of the Council.
- h. Related Party:
1. Any current or former (within the past five years) Director, Officer, or Key Employee of the Council;
 2. Any Director, Officer, or Key Employee of an Affiliate;
 3. Any other person who exercises the powers of a Director, Officer, or Key Employee over the affairs of the Council or an Affiliate;
 4. Any Relative of a person described in items (1), (2), or (3) of this section h; or

5. Any entity in which a Director, Officer, or Key Employee or the Relative of a Director, Officer, or Key Employee has a 35% or greater ownership or beneficial interest, or, in the case of a partnership or a professional corporation, a direct or indirect ownership interest in excess of 5%
- i. Related Party Transaction: Any transaction, agreement, or compensation arrangement with the Council or an Affiliate in which a Related Party has a Financial Interest.
- j. Relative: A person's spouse or domestic partner, ancestors, siblings, children, grandchildren, and great-grandchildren, and the spouses or domestic partners of the person's ancestors, siblings, children, grandchildren, and great-grandchildren.

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Adopted by the Council's Board of Directors on _____

Secretary

ATTACHMENT A
Girl Scouts Heart of the Hudson, Inc.
Conflict of Interest Policy Certificate

This certificate must be signed and delivered to the Secretary of the Board pursuant to the Girl Scouts Heart of the Hudson, Inc., Conflict of Interest Policy (the “Policy”) adopted by the Board of Directors on _____, at such times as specified in the Policy.

- (a) _____ (initial) I have received a copy of the Policy;
- (b) _____ (initial) I have read and understand the Policy; and
- (c) _____ (initial) I agree to comply with the Policy;

The undersigned, by his or her signature, certifies as indicated above and acknowledges his or her understanding of the implications of the Policy.

Signature

Printed Name

Title/Position

Date

ATTACHMENT B
Girl Scouts Heart of the Hudson, Inc.
Potential Conflict of Interest Disclosure Form

Name: _____

Title/Position: _____

In responding to these questions, please note that a “yes” answer does not imply that the relationship or transaction is necessarily inappropriate or prohibited.

1. Are you an officer, director, trustee, member, owner, or employee of any entity with which the Council has a relationship?

Yes _____ No _____

If the answer is “yes” please list the names of such entities, your affiliation with that entity, and the approximate dollar amount of business involved with the Council in the past year:

2. Are any of your Relatives an officer, director, trustee, member, owner, or employee of any entity with which the Council has a relationship? (“Relatives” include your spouse or domestic partner, ancestors, siblings, children, grandchildren, and great-grandchildren, and the spouses or domestic partners of your siblings, children, grandchildren, and great-grandchildren.)

Yes _____ No _____

If the answer is “yes” please list the names of such entities, your Relative’s affiliation with that entity, and the approximate dollar amount of business involved with the Council in the past year:

3. Do you have a Financial Interest in any corporation, organization, partnership, or other entity which provides goods or services to the Council for a fee or other compensation? (“Financial Interest” means a direct or indirect economic benefit from any transaction, agreement, or compensation arrangement involving the Council, including, but not limited to, direct or indirect remuneration, or gifts or favors that are not insubstantial.)

Yes _____ No _____

If the answer is “yes” please list the names of such entities, the nature of your Financial Interest, and the approximate dollar amount of business involved with the Council in the past year:

4. Do any of your Relatives have a Financial Interest in any corporation, organization, partnership, or other entity which provides goods or services to the Council for a fee or other compensation?

Yes _____ No _____

If the answer is “yes” please list the names of such entities, the nature of your Relative’s Financial Interest, and the approximate dollar amount of business involved with the Council in the past year:

5. Do you hold a position or have some other material relationship with any not-for-profit corporation with which the Council has a business relationship?

Yes _____ No _____

If the answer is “yes” please list the names of such entities, the nature of your relationship (e.g., employee, board member), and the approximate dollar amount of business involved with the Council in the past year:

6. Do any of your Relatives hold a position or have some other material relationship with any not-for-profit corporation with which the Council has a business relationship?

Yes _____ No _____

If the answer is “yes” please list the names of such entities, the nature of your Relative’s relationship (e.g., employee, board member), and the approximate dollar amount of business involved with the Council in the past year:

7. Are you aware of any other transaction in which the Council is a participant and in which you may have a conflicting interest?

Yes _____ No _____

If the answer is “yes”, please identify the transaction and describe the potential conflict:

I affirm that the foregoing information is true and complete to the best of my knowledge and that should any of my responses to this questionnaire change at any time, I will notify the Council’s Board of Directors.

Name: _____

Date: _____

Signature: _____