Standard 4A1: Conflict of Interest Policy

Sample Land Trust (SLT)

Land Trust Standards and Practices

Conflicts of Interest

**A. Dealing with Conflicts of Interest –** It is the policy of the SLT to ensure that any conflicts of interest and the appearance thereof are to be avoided or appropriately managed through disclosure, recusal or other means. The conflict of interest policy applies to insiders, which term shall mean board and staff members, substantial contributors, parties related to the above, those who have an ability to influence decisions of the organization and those with access to information not available to the general public. Federal and state conflicts of disclosure laws are followed.

**B. Board Compensation -** No part of the income of the SLT shall benefit any member, director, or officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes, in which circumstance disclosure, documentation and recusal when necessary are required). No member, director, officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. The corporation is nonprofit and shall not have or issue shares of stock or pay dividends. SLT board members do not serve for personal financial interest and are not compensated except for reimbursement of expenses and, in limited circumstances, for professional services that would otherwise be contracted out. Such compensation must be authorized at a regular board meeting. Any compensation must be in compliance with charitable trust laws. The SLT board’s presiding officer and treasurer are never compensated for professional services.

**C. Transactions with Insiders -** When engaging in land and easement transactions with insiders, the SLT follows its conflict of interest policy; documents that the project meets the SLT’s mission; follows all transaction policies and procedures; and ensures that there is no private inurement or impermissible private benefit. For purchases and sales of property from or to insiders, the SLT obtains a qualified independent appraisal prepared in compliance with the Uniform Standards of Professional Appraisal Practice by a state-licensed or state-certified appraiser who has verifiable conservation easement or conservation real estate experience. When selling property to insiders, the SLT markets the property in a manner sufficient to ensure that the property is sold at or above fair market value and to avoid the reality or perception that the sale inappropriately benefited an insider.

**D. Resolution Process**

* Upon identification of a perceived potential or actual conflict of interest, it shall be reported to the member of the Board responsible for governance issues at the time, and if he or she is unable, to the President.
* Upon disclosure, the Board member will abstain from discussing with the Board anything related to the circumstances unless specifically requested by the Board.
* The Board member will absent her or himself from voting on anything related to the COI or circumstances.
* The Board may request the Board member to resign until the matter that gave rise to the conflict has been sufficiently resolved.
* Upon disclosure, the Sample Land Trust Board member responsible for governance shall work with the individual to develop an appropriate course of action to recommend to the Board.
* While the proposed course of action is being considered or pending, the board member involved in the potential conflict shall refrain from participating in the questionable activity.
* Every effort should be made to avoid the conflict or appearance of conflict, and to mitigate its effects when it is unavoidable.
* Sample Land Trust will document in its minutes or as otherwise appropriate the existence of each disclosure of an actual or potential conflict, and the actions taken to manage it.

Last updated \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Adopted by the Board at its meeting on\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.