



## **BOARD OF DIRECTORS CONFLICT-OF-INTEREST POLICY**

### **Purpose**

The Burllesque Hall of Fame (BHoF), as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of BHoF first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between BHoF and its board, officers, and staff a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and staff have the responsibility of administering the affairs of BHoF honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of BHoF. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with BHoF or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

### **Persons Concerned**

Any director, principal officer, or member of a committee with governing board–delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

While our conflict of interest position is directed not only to board members and officers, but to all staff members and volunteers who can influence the actions of BHoF, we have set out a separate policy for staff and volunteers. Therefore the procedures outlined in this policy cover Board members only. However, this policy covers such members in their capacity as Board volunteers as well as volunteers in other areas of the organization.

### **Conflict of Interest Defined**

An actual or potential conflict of interest occurs when a board member is in a position to influence a decision that may result in personal gain or gain for a relative as a result of BHoF's business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the board member is similar to that of persons who are related by blood or marriage.

A conflict of interest may exist when the interests or potential interests of any director, officer, or that person's close relative, or any individual, group, or organization to which the person associated with BHoF has allegiance, may be seen as competing with the interests of BHoF, or may impair such person's independence or loyalty to BHoF. A conflict of interest is defined as an interest that might affect, or might reasonably appear to affect, the judgment or conduct of any director or officer in a manner that is adverse to the interests of BHoF.

### **Examples**

A conflict of interest may exist if a director, officer or close relative:



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- Has a business or financial interest in any third party dealing with BHoF. This does not include ownership interest of less than 5 percent of outstanding securities of public corporations.
- Holds office, serves on a board, participates in management, or is employed by any third party dealing with BHoF, other than direct funders to BHoF.
- Derives remuneration or other financial gain from a transaction involving BHoF (other than salary reported on a W-2 or W-9 or salary and benefits expressly authorized by the board).
- Receives gifts from any third party on the basis of his or her position with BHoF (other than occasional gifts valued at no more than \$25, or if valued at more than \$25, the gift is made available in a team space or common area for others to share — e.g., fruit baskets, boxes of candy). All other gifts should be returned to the donor with the explanation that BHoF policy does not permit the acceptance of gifts. No personal gift of money should ever be accepted.
- Engages in any outside employment or other activity that will materially encroach on such person's obligations to BHoF; compete with BHoF's activities; involve any use of BHoF's equipment, supplies, or facilities; or imply BHoF's sponsorship or support of the outside employment or activity

Personal gain may result not only in cases where a board member or a relative has a significant ownership in a firm with which BHoF does business, but also when a board member or a relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving BHoF.

### **Use of Information**

Directors and officers shall not use information received from participation in BHoF affairs, whether expressly denominated as confidential or not, for personal gain or to the detriment of BHoF.

### **Disclosure and Recusal**

No presumption of a conflict is created by the mere existence of a relationship with outside firms. However, if a board member has any influence on any material business transactions, it is imperative that he or she discloses to an officer of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Whenever any director has a conflict of interest or a perceived conflict of interest with BHoF, he or she shall notify the Board Chair of such conflict in writing.

When any conflict of interest is relevant to a matter that comes under consideration or requires action by the board, or a board committee, the interested person shall call it to the attention of the board chair and shall not be present during board or committee discussion or decision on the matter. However, that person shall provide the board or applicable committee with any and all relevant information on the particular matter.

The minutes of the meeting of the board or its committee shall reflect that the conflict of interest was disclosed, that the interested person was not present during discussion or decision on the matter, and did not vote.



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### **Procedures for Addressing the Conflict of Interest**

After disclosure of all material facts related to the conflict, and after any discussion with the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists. The chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate the situation in question.

If the conflict is transactional, the governing board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

If the conflict is not transactional, the governing board or committee shall determine whether the transaction can be modified, prevented, or otherwise reversed to alleviate any conflict. If such remedies are not reasonably possible, the governing board or committee shall determine whether a violation has occurred and if so, proceed as directed below.

### **Violations of the Conflicts-of-Interest Policy**

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

I have read and agree to abide by BHoF's Conflict-of-Interest Policy. To the best of my knowledge, I have no conflicts as described in this Policy, except those noted below or on the attached paper.

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Signature

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Date

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Name (please print)