

Girls Incorporated[®] of Chattanooga
Conflicts of Interest Policy for Board of Directors and Employees

Section 1 - Purpose

The purpose of the conflicts of interest policy is to protect Girls Inc. of Chattanooga's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or employee of Girls Inc. of Chattanooga. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Section 2 - Definitions

1. Interested Person

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

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly through business, investment or family—

- a. an ownership or investment interest in any entity with which Girls Inc. of Chattanooga has a transaction or arrangement, or
- b. a compensation arrangement with Girls Inc. of Chattanooga or with any entity or individual with which Girls Inc. of Chattanooga has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Girls Inc. of Chattanooga is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 3 - Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Interested persons who are not members of the Board of Directors of Girls Incorporated of Chattanooga, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect Girls Incorporated of Chattanooga's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

3. Procedures for Addressing the Conflict of Interest

- a. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, the board or committee shall determine whether Girls Inc. of Chattanooga can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Girls Inc. of Chattanooga's best interest and for its own benefit and whether the transaction is fair and reasonable to Girls Inc. of Chattanooga and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

- a. If the board or committee has reasonable cause to believe that 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.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4 - Records of Proceedings

The minutes of the board and all committee with board-delegated powers shall contain—

- a. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, 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 transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Section 5 – Individual Employee and Board of Directors Disclosures

This section is not included in the by-laws, but is added here for completion and submission annually by members of the Board of Directors

BASIC CONFLICT OF INTEREST DISCLOSURE FORM

Print Full Name: _____

Position: ___ Board Member ___ Employee

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between Girls Incorporated of Chattanooga and your personal interests, financial or otherwise:

___ I have no conflict of interest to report.

___ I have the following conflict of interest to report. Please specify other nonprofit and for-profit boards you (and/or your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own, as well as any other conflicts of interest.

Name of Organization(Print)	Your Position/Relationship (Print)
1. _____	_____
2. _____	_____
3. _____	_____

(If additional space is needed, please indicate here ___ and attach a separate list.)

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Conflict of Interest Policy of Girls Incorporated of Chattanooga.

Signature: _____ Date: _____