

Nine Mile Community Center Board of Directors

Conflict of Interest Policy

Adopted November 12, 2008

Purpose

The purpose of this policy is to protect this tax-exempt organization's interest when it contemplates entering into a transaction or arrangement that might benefit the private interest of an officer, director or committee member of the Nine Mile Community Center. This policy supplements but does not replace applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Definitions

An officer, director or committee member of the Nine Mile Community Center has a financial interest, directly or indirectly through business or family, by ownership, membership or investment interest in any entity with which the Nine Mile Community Center has a transaction or arrangement. Such transactions include compensation arrangements, which include direct and indirect remuneration as well as gifts or favors.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides a conflict of interest exists.

Duty to Disclose

A board or committee member must disclose the existence of a financial interest and be given the opportunity to disclose all material facts considering the proposed transaction or arrangement to the directors and/or members of the involved committee.

Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/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.

Addressing the Conflict of Interest

After exercising due diligence, the governing board or committee shall determine whether the Nine Mile Community Center 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, the governing board or committee shall determine by a majority vote of the disinterested directors whether the

transaction or arrangement is in the Nine Mile Community Center'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.

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.

Records of Proceedings

The minutes of the governing board shall contain 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.

The minutes will also include 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 with the proceedings.

Annual Statements

Each director and committee member shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy
- b. Has read and understands the policy
- c. Has agreed to comply with the policy, and
- d. Understands the Nine Mile Community Center is a nonprofit organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Approved by the Nine Mile Community Center Board of Directors November 12, 2008.

**ANNUAL STATEMENT OF ACKNOWLEDGMENT AND COMPLIANCE WITH
THE NINE MILE COMMUNITY CENTER BOARD CONFLICT OF INTEREST
POLICY**

I have read the conflict of interest policy adopted by the Nine Mile Community Center board on November 12, 2008, and agree to comply therewith. I affirm I am not involved in any personal business with the Nine Mile Community Center and neither I nor any member of my family is engaged in any activity or has any outside interest that conflicts or suggests a conflict with the interest of the Nine Mile Community Center except as follows:

During the time I am associated with the Nine Mile Community Center as a director or member of a committee, I agree to report promptly any future situation that might involve or appear to involve me or a member of my family in any potential conflict of interest with the Nine Mile Community Center.

Date

Board/Committee Member Signature

Print Name