

EAST ISLES RESIDENTS' ASSOCIATION, INC. CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of this conflict of interest policy is to protect the public trust in the East Isles Residents' Association, Inc. ("EIRA"). This policy provides guidance to EIRA and its Board of Directors, Officers, Committees, and members in circumstances when EIRA or any committee of EIRA is contemplating taking any action that may benefit, or may be perceived as benefiting, the private interest of any officer, director, or member of a committee of EIRA. This policy is intended to supplement but not replace any applicable federal, state, or local laws governing conflicts of interest applicable to nonprofit and charitable corporations, including without limitation, conflict of interest rules applicable to the City of Minneapolis Neighborhood Revitalization Program (NRP).

Article II Definitions

1. Interested Person

Any director, alternate director, officer, member of a committee of EIRA, or EIRA appointee to any task force, committee, or other group, entity, or organization who has a Financial Interest.

2. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through employment, business, investment or family (which includes, but may not be limited to, spouse, domestic-partners-in-fact, others connected to an EIRA member through biology, marriage, adoption or domicile such as a son, daughter, mother, father, sibling, and any domestic-partner-in fact of siblings, children's spouses or children's domestic-partners-in-fact):

- a. an ownership or investment interest in any entity with which EIRA has, or is negotiating, a transaction or arrangement (including but not limited to grants);
- b. a compensation arrangement with EIRA or with any entity or individual with which EIRA has, or is negotiating, a transaction or arrangement (including but not limited to grants);
- c. a ownership or investment interest in, or compensation arrangement with, any entity or individual that is the subject of an EIRA action, resolution, or oversight, including, without limitation, entities requesting EIRA approval of development plans or zoning variances, or entities requesting funding from EIRA;
- d. other than an arm's-length relationship with prospective or actual grantees relative to the design of specific projects, preparation of specific proposals and review and oversight of funded projects, and EIRA related activities;
- e. Non-public information to be used for private gain about an entity or individual that is the subject of any EIRA action; or
- f. any explicit or indirect promise of any of (a) through (e) above.

Compensation does not include donated items for use at EIRA Board meetings, EIRA Member meetings and EIRA social events that are for general use at such meetings or functions and not directed for the benefit of any individual Interested Person(s).

3. Conflict of Interest

A Conflict of Interest exists any time there is a personal interest competing, or could reasonably be perceived as competing, with an individual's role with EIRA. In most circumstances, the existence of a Financial Interest results in a Conflict of Interest. There may be some circumstances in which a Financial Interest is so indirect or minor that it does not create a Conflict of Interest. Accordingly, a procedure to determine whether a Conflict of Interest exists is set forth in Article III, Section 2(b).

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible Conflicts of Interest, an Interested Person must disclose, immediately, either in writing initially or verbally initially with a writing within 5 business days, the existence and nature of his or her Financial Interests and all material facts to the Directors and Committee chairperson and Committee members considering the proposed transaction, arrangement, or action. The disclosure must occur as soon as the Conflict of Interest exists. An Interested Person with a Conflict of Interest may not participate in meetings, discussions, and debates on a conflicted matter, and disclose the Conflict of Interest just prior to a vote.

In the event that an Interested Person fails to disclose a Financial Interest, and any other Board member, officer, or Committee member has information and belief indicating a Financial Interest, then the matter should be raised to the President of EIRA or the chairperson of the relevant Committee prior to the Board or Committee taking action on the relevant matter. Upon such disclosure, the Committee or Board shall follow the procedure set forth in Article III, Section 2(b), unless the Interested Person recuses himself or herself.

If the Interested Person involved is an EIRA Committee chair, then the disclosure described above, and any report of a failure to disclose described above, shall be made to the President of EIRA. If the Interested Person involved is the President of EIRA, then the disclosure described above, and any report of a failure to disclose described above, shall be made to the entire EIRA Board of Directors; and in such circumstances the EIRA Vice-President shall preside over any EIRA Board action described in Article III, Section (2)(b), or Article III, Section 5 below.

In some cases, an Interested Person may not have a Financial Interest in an entity that is the subject of an EIRA action, but may have formal ties to such an entity (member of a nonprofit, Board of Directors, volunteer). Such "Affiliation Interests" must also be disclosed in writing to the relevant EIRA Board or Committee. The existence of an Affiliation Interest may create a Conflict of Interest and may require an Interested Person's recusal from any EIRA discussion or action.

2. Recusal; Determining Whether a Conflict of Interest Exists

- a. In nearly all circumstances, a Financial Interest results in a Conflict of Interest with regard to all matters or actions before the Board or Committee in which there is a Financial Interest. After disclosure of the Financial Interest, the Interested Person shall recuse himself or herself from the Board or Committee with respect to all matters and actions in which he or she has a Financial Interest. The recusal shall include any and all votes, debates, and discussions regarding the conflicted matter, and the recused may not be counted in determining a quorum for any vote with respect to an EIRA transaction or business. Notwithstanding any other provision of this Policy, a conflicted member is

entitled to make a single presentation to the applicable Committee or Board regarding the proposed transaction, arrangement, or action. In addition, the Board or the Committee may request the help of the conflicted member on the matter so long as the conflicted member has no vote and the role of the conflicted member is limited to providing factual information upon request.

- b. If the Interested Person does not believe that the Financial Interest results in a Conflict of Interest, and wishes not to recuse himself or herself, then the Board or the relevant Committee shall hold a vote, and if a majority of the Board or Committee finds that a Conflict of Interest exists, then the Interested Person shall not be entitled to vote on any matters or action in which the Conflict of Interest exists. The Interested Person may make a factual presentation to the Board or relevant Committee regarding the potential Conflict of Interest. However, the Interested Person shall leave the Board or Committee meeting while the determination of a conflict of interest is discussed and voted upon.
- c. Nothing in this policy affects any Board member, officer, or Committee member regarding issues other than those in which a Financial Interest exists, and Interested Persons can continue to serve on the Board or Committee, in accordance with the EIRA bylaws, other relevant EIRA operating policy, federal, state, or local law, or NRP policies.
- d. All Conflicts of Interest and a brief summary of votes taken at the Board or Committee under Article III, Section 2(b) shall be presented to the Membership of EIRA prior to a membership vote on the relevant matter before the EIRA membership.

3. Procedures for Addressing the Conflict of Interest

- a. The President or chairperson of the Committee shall, if appropriate, investigate alternatives to the proposed transaction or arrangement that results in the Conflict of Interest. A written report shall be provided to the EIRA Board.
- b. The Board or Committee shall determine by a majority vote (or other voting requirement, as provided in the Bylaws of EIRA) of the disinterested directors or Committee members whether the arrangement or action in which the Conflict of Interest exists is in EIRA's best interest and for its own benefit and whether the matter is fair and reasonable to EIRA; and shall make its decision regarding the action in accordance with such determination. The decision, and the basis for it, shall be provided in writing.

4. Violations of the Conflicts of Interest Policy

If an Interested Person violates this Conflict of Interest Policy, the Board may take such action as it deems appropriate, including, without limitation, censure or removal from Committees or the Board by a 2/3 vote of the Board, as set forth in the EIRA bylaws.

If the Board or any Committee later finds that a decision was made with the participation and/or vote of an Interested Person with a Conflict of Interest at the time of the discussion or vote on the matter, then the relevant Board or Committee shall revisit the matter to determine whether a change of position, reversal, or other action is appropriate in light of the discovered information regarding the Conflict of Interest.

5. Grievance Procedure

Any member of EIRA may file a grievance with the Board alleging that an Interested Person has a Conflict of Interest. Upon receipt of such complaint, the President shall distribute the complaint to the Board and such matter shall be taken up at the next meeting of the EIRA Board, so long as the notice to the Board is at least three (3) days prior to the Board meeting. Otherwise, the matter will be taken up by the EIRA Board at the most immediate meeting thereafter.

Article IV
Publication and Acknowledgement

1. Publication

This Conflict of Interest Policy will be distributed to all Board members, officers, Committee members, and EIRA appointees, and to any person requesting a copy of the policy. The policy will be made available on any web site that EIRA may develop, and will be published from time to time in any newsletter that EIRA may develop.

2. Acknowledgement

Each Board member, officer, Committee member, and appointee shall annually sign a statement which affirms that such person:

- a. has received a copy of the conflict of interest policy,
- b. has read and understands the policy,
- c. has read and understand NPR policies regarding Conflicts of Interest,
- d. has agreed to comply with the policy,
- e. does not have any Financial Interests, other than the Financial Interests disclosed, and
- f. does not have any Affiliation Interest, other than those disclosed.

Acknowledgement forms shall be maintained for a period of two (2) years.

I HERBY CONFIRM that I have received a copy, read, and understand the EIRA Conflict of Interest Policy. I agree to comply with the terms of the EIRA Conflict of Interest Policy. I have also read and understand NRP policies and guidelines regarding Conflicts of Interest. I hereby confirm that I have no Financial Interests or Affiliation Interests (as defined in the EIRA Conflict of Interest Policy) other than as disclosed below. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Board or relevant Committee immediately.

Signature

Date

Printed Name

Disclose any Financial Interests or Affiliation Interests below:
