

**Columbia Historical Society Conflict of Interest Policy
Version 1.0**

Conflicts of Interests

1. Purpose. The purpose of this conflict of interest policy is to protect the Columbia Historical Society's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Columbia Historical Society or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. Definitions.

A. Interested Person. Any Director, principal Officer, or member of a committee of the Board of Directors who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (i) An ownership or investment interest in any entity with which the Columbia Historical Society has a transaction or arrangement,
- (ii) A compensation arrangement with the Columbia Historical Society or with any entity or individual with which the Columbia Historical Society has a transaction or arrangement, or
- (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Columbia Historical Society is negotiating a transaction or arrangement.

Notwithstanding the foregoing, a person who has a financial interest may have a conflict of interest only if the Board of Directors or appropriate committee decides that a conflict of interest exists.

C. Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

3. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose in writing each year the existence of the financial interest and all material facts to the Directors and/or committee Directors considering the proposed transaction or arrangement.

4. Determining Whether a Conflict of Interest Exists. After written disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee Directors shall decide if a conflict of interest exists.

5. Procedures for Addressing the Conflict of Interest.

A. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

B. 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.

C. After exercising due diligence, the Board or committee shall determine whether the Columbia Historical Society 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.

D. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing 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 the Columbia Historical Society'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.

6. Violations of the Conflicts of Interest Policy.

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

B. If, after hearing such person's response and after making further investigation as warranted by the circumstances, the Board or committee determines

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the Director has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

7. Periodic Reviews. To ensure the Columbia Historical Society operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Columbia Historical Society's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

8. Use of Outside Experts. When conducting the periodic reviews as provided for in Paragraph 7 of this Article VII, the Columbia Historical Society may, but need not, retain independent advisors and/or experts. If independent third parties are retained for this purpose, such action shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

9. Policy Activation. This policy becomes active and binding immediately.

Mary Melnyk
Columbia Historical Society President

James Hitchcock
Columbia Historical Society Recording Secretary

07/14/14
Date:

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Date: