

**APPENDIX A**  
**Conflicts of Interest**  
Adopted August 18, 2005

UUCB Conflicts of Interest Policy (Based on sample policy from *Guidebook for Directors of Nonprofit Corporations*, published by the Committee on Nonprofit Organizations of the American Bar Association)

*Article I Purpose*

The purpose of the conflicts of interest policy is to protect UUCB's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a member of the Board of Trustees, the Coordinating Team, the staff, or any key committee lay leader. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and religious organizations.

*Article II Definitions*

1. Interested Person

Any trustee, coordinating team member, or key committee lay leader who has a direct or indirect financial interest, as defined below, is an interested person.

2. Key Committee Lay Leader

The chair or primary contact for any UUCB authorized committee or organization that might reasonably be expected to engage in transactions or arrangements with significant monetary value.

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 UUCB has a transaction or arrangement, or
- b. a compensation arrangement with UUCB or with any entity or individual with which UUCB has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which UUCB is negotiating a transaction or arrangement.

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

*Article III 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 trustees and members of committees 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.

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 UUCB can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to the conflict of interest.
- c. 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 UUCB's best interest and for its own benefit and whether the transaction is fair and reasonable to UUCB and shall make its decision as to whether to enter in 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.

#### *Article IV Records of proceedings*

The minutes of the board and all committees shall contain –

- a. the names of the person 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 an alternative to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

#### *Article V Personnel committee*

- a. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from UUCB for services is precluded from voting on matters pertaining to that member's compensation.

#### *Article VI Annual statements*

Each trustee, coordinating team member, and key committee lay leader shall annually sign a statement which affirms that such person –

- a. has received a copy of the conflicts of interest policy
- b. has read and understands the policy
- c. has agreed to comply with the policy