

## Elkhart County Board of Realtors Conflict of Interest Policy

Elected or appointed Leadership of the Elkhart County Board of REALTORS® will be responsible for recommending or deciding Board Policy. This imposes a fiduciary duty to act in the best interests of the Elkhart County Board of REALTORS® and avoid any real or perceived conflict of interest.

1. Purpose: The Purpose of the Conflict of Interest policy is to ensure that the deliberations and decisions of the Elkhart County Board of REALTORS® are made in the best interest of the membership as a whole, and to protect the interests of the Elkhart County Board of REALTORS® when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interests of an Interested Officer, Director or Member (as defined below). An Interested Officer, Director or Member may not use his or her position with respect to the Elkhart County Board of REALTORS®, or confidential information obtained by him or her relating to the Elkhart County Board of REALTORS®, in order to achieve a financial benefit for himself or herself or for a third person, including any other nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit corporations.

2. Interested Person Defined: Any officer, director, committee/task force chairman or committee/task force member with governing Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested party.

3. Financial Interest: A member has a financial interest if the member has directly or indirectly, through business, investment or family;

- a. An ownership or investment interest in any entity with which the Board has transaction or arrangement.
- b. A compensation arrangement with an Organization or with any entity or individual with which the Board has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Board is negotiating a transaction or arrangement.

4. Duty to Avoid Conflict of Interest: Conflicts arise when an interested member participates in deliberations or resolution of issues whose outcome could result in personal gain for them. Robert's Rules of Orders states, "no member shall vote on a question in which he or she has a direct personal or pecuniary interest not common to other members of the organization." Such conflicts may create problems that can:

- Inhibit free discussion;
- Result in decisions or actions that are not in the best interests of the Elkhart County Board of REALTORS®; and
- Risk the impression that the Elkhart County Board of REALTORS® has acted improperly.

5. Disclosure Requirement: Any person serving as a member of the Board of Directors, Chairman or member of a Committee or Task Force, upon election or appointment, shall provide disclosure of any interests, memberships, or other relationships that could possibly lead to a conflict of interest or in advance of any discussion or deliberation on any issue or matter in which such conflict of interest may arise. The Elkhart County Board of REALTORS® shall provide a Conflict of Interest Disclosure Statement annually to each Board member and Committee/Task Force member. In addition, all decisions under a Conflict of Interest shall be recorded in the minutes of the meeting. The disclosure and minutes shall include:

- The nature and extent of the conflict;
- An outline of the discussion;
- The actions taken to manage the conflict.

6. Abstention: Any Interested Member must not participate in the discussion or deliberation on the issue or matter in which the conflict of interest arises, and shall not attempt to influence the vote on that particular issue or matter. The Interested member shall abstain from the vote on that issue or matter. The Elkhart County Board of REALTORS® shall provide the opportunity and procedure for any Interested member to officially record an abstention in the minutes of meeting.

7. Quorum: In the event the Elkhart County Board of REALTORS® has to decide upon an issue or matter in which the Interested member has an interest, all decisions will be made by vote, in which a quorum is present. The Interested member will not be counted as part of the quorum.

8. If the Interested member fails to disclose a Conflict of Interest and such interest is known to the Elkhart County Board of REALTORS® Board of Directors, Committee or Task Force members, and/or staff, the President of the Elkhart County Board of REALTORS® shall declare that such an interest exists.

9. Removal: Any Interested Member who has a conflict of interest on any issue or matter and who violates the requirements or procedure of this policy, may be removed from their elected or appointed capacity in the following manner:

- a. Upon motion made at any regular or special Board of Directors meeting, by a Director with one second, an Interested member with a Conflict of Interest who violates the requirements or procedures of this policy may be removed from their elected or appointed office by a majority vote by secret written ballot of the Directors. The Interested Member, who is the subject of the motion, shall be provided with adequate notice of the meeting and given an opportunity to respond to the motion during the discussion on the motion either individually or through an attorney, or both.

10. Filling Vacancies Created by Removal for Conflict of Interest: Any vacancy created by removal of an Interested Member under this policy shall be filled by the President of the Board and confirmed by a majority vote of the Board of Directors.

# Elkhart County Board of Realtors

## Conflict of Interest Certificate

I have read the foregoing Elkhart County Board of REALTORS® Conflict of Interest Policy, and in signing this certificate, I have considered not only the literal expression of the Policy, but also its intent. I hereby certify that EXCEPT AS HEREINAFTER STATED, I do not, to the best of my knowledge have any relations or interests whatever conflicting with the interests of the Elkhart County Board of REALTORS®. The exceptions are:

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If any situation should arise in the future which I think may involve a conflict of interest, I will promptly and fully disclose the circumstances to the Elkhart County Board of REALTORS® President of the Board.

Furthermore, I agree to abide by the state of confidentiality as contained in the foregoing Elkhart County Board of REALTORS® Conflict of Interest Policy:

Dated: \_\_\_\_\_

Position: \_\_\_\_\_

Name: \_\_\_\_\_

Printed

Signature: \_\_\_\_\_