

March 22, 2021

**TO:** Board of Directors  
**FROM:** Heller An Shapiro and Sari Hornstein  
**RE:** ArtStream Policy on Conflicts of Interest Revision

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**Background:**

Board and staff members annually complete and sign the *Annual Statement of Potential Conflict of Interest* which is based on the *Policy on Conflicts of Interest* approved by the Board July 21, 2016.

Enclosed is a model Conflict of Interest Policy from the Standards for Excellence Institute.

**Proposal:**

- A. Create a Task Force to revise the current *ArtStream Policy on Conflicts of Interest* to reflect the Standards for Excellence Institute model.
- B. Change the first paragraph of the current *ArtStream Policy on Conflicts of Interest* to read:

ArtStream’s Board of Directors are expected to support its mission with care; to put ArtStream’s interests before personal and professional interests; and to do both in compliance with ArtStream’s bylaws as well as applicable non-profit federal, state and local laws.

Accordingly, the Board has adopted the following policy designed to manage apparent, potential, and actual conflicts between the personal familial, financial, professional, and employment interests of its Directors, Officers, Board committee members, administrative staff people of ArtStream, the members of their immediate families or households (parents and their spouses; children, grandchildren, and their spouses; spouse and his/her parents; siblings, spouse's siblings, and their spouses; and any person living in the individual's home), and their business associates (general partners, principals, and employers) (collectively, “ArtStream personnel”), and the interests of ArtStream.

**Rationale and Comments (Sari):**

The use of the term “obedient” is incoherent as stated in the original document. I removed the phrase “undivided loyalty” because we all have divided loyalties: I am loyal to my family, friends, ArtStream, among others. I don’t believe this phrase is necessary. I think the amendment, as proposed above, is clear and consistent with what we expect of our Board members.

More broadly, I think the language in this policy is extraordinarily legalistic and verbose. It makes ArtStream sound like a multibillion-dollar corporation. Perhaps one day we will get there and require this kind of language. It strikes me now as unnecessary overkill.

Our *Policy on Conflicts of Interest* was approved by the Board July 21, 2016. Perhaps now, five years later, is a good time to revisit, and possibly revise, our documents so that they are succinct, to the point, in English (not legalese), *and* reflect ArtStream's current reality.

**ArtStream**  
**Annual Statement of Potential Conflict of Interest**  
**FY21 Certification**

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

Date: \_\_\_\_\_

Office or Position: \_\_\_\_\_

Please include in your answers any activity during the previous 12 months. In responding to these questions, please note that a “yes” answer does not imply that the relationship or transaction was necessarily inappropriate.

**Entities Doing Business with ArtStream**

1. Are or were you, or any member of your immediate family or household (your parents and their spouses; your children, grandchildren, and their spouses; your spouse and his/her parents; your siblings, your spouse's siblings, and their spouses; and any individual living in your home), an officer, director, general partner, agent, or employee of any entity doing business with ArtStream?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the names of such entities, the position held, and the approximate dollar amount of business involved with ArtStream last year.

2. Do or did you, or does or did any member of your family, have a financial interest in, or receive any remuneration or income from, any entity doing business with ArtStream?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the names of the entities in which such interest is held, the person by whom such interest is held, and the nature and amount of each such financial interest, remuneration or income.

3. Are or were any of your business associates (general partners, principals, and employers) an officer, director, general partner, agent, or employee of any entity doing business with ArtStream?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the names of such entities, the position held, and the approximate dollar amount of business involved with ArtStream last year.

**Entities Related to those Doing Business with ArtStream**

4. Do or did you, or any member of your immediate family or household, or any of your business associates, have any interest in any entity which is controlled by or under common control with any other entity doing business with ArtStream?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the names of such entities, the controlled entity, the interest held, and the approximate dollar amount of business involved with ArtStream last year.

**Beneficiaries & Other Fiduciary Duties**

5. Are or were you, or any member of your immediate family or household, or any of your business associates, the beneficiary of a trust or estate with an interest in any entity doing business with ArtStream, or which is controlled by or under common control with any such entity?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the names of such entities, the interest held, and the approximate dollar amount of business involved with ArtStream last year.

6. Do or did you have fiduciary duties with respect to any trust, estate, incompetent person, conservatee, or minor with an interest in any entity doing business with ArtStream, or which is controlled by or under common control with any such entity?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the names of such entities, the fiduciary position held, and the approximate dollar amount of business involved with ArtStream last year.

**Gifts & Loans**

7. Did you, or any member of your family, or any of your business associates, receive during the past 12 months any gifts or loans from any supplier, vendor or other source from which ArtStream buys goods or services or with which ArtStream has business dealings?

\_\_\_\_\_ yes      \_\_\_\_\_ no

If the answer is “yes”, please list the gifts or loans according to item, name of supplier, vendor or other source, and approximate value of each item.

**Other Affiliations & Interests**

8. Please list any other affiliations or interests that may present an apparent, potential, or actual conflict of interest.

9. Please list all other boards on which you, or any member of your family, or any of your business associates, serve.

I have read, understand, support, and agree to abide by ArtStream’s Conflict of Interest Policy. I do not have any actual, apparent, or potential conflicts of interest which are not listed on this Statement. I understand that it is my responsibility to inform ArtStream in writing of any change in circumstances relating to this Statement. I certify that the foregoing information is true and complete to the best of my knowledge.

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

**Please return to:** Lynn Taylor Moore  
Director of Finance and Administration  
ArtStream  
8401 Connecticut Ave, Suite 1230  
Chevy Chase, MD 20815

[l.taylormoore@art-stream.org](mailto:l.taylormoore@art-stream.org)

# ArtStream

## Policy on Conflicts of Interest

The Board of Directors of ArtStream understands the importance of serving ArtStream to the best of their ability and with the highest degree of undivided obedience, loyalty, and care. Accordingly, the Board has adopted the following policy designed to manage apparent, potential, and actual conflicts between the personal familial, financial, professional, and employment interests of its Directors, Officers, Board committee members, administrative staff people of ArtStream, the members of their immediate families or households (parents and their spouses; children, grandchildren, and their spouses; spouse and his/her parents; siblings, spouse's siblings, and their spouses; and any person living in the individual's home), and their business associates (general partners, principals, and employers) (collectively, "ArtStream personnel"), and the interests of ArtStream.

Conflicts of interest may occur when ArtStream enters into transactions with individuals, nonprofit organizations, or for-profit entities. The purpose of this policy is to ensure that decisions about ArtStream operations and the use or disposition of ArtStream assets are made solely for the benefit of ArtStream and are not influenced by any personal profit or personal benefit to any individuals affiliated with ArtStream who take part in the decision. All ArtStream personnel shall abide by all laws affecting conflict of interests, including but not limited to Sections 6.5-306(2015) of the Maryland State Government Code and Section 4958 of the Internal Revenue Code.

In addition to avoiding actual conflicts of interest, ArtStream personnel are expected to avoid actions that could be perceived or interpreted as in conflict with the interests of ArtStream. Any duality of interest or apparent or potential conflict of interest on the part of any ArtStream personnel shall be disclosed to all of the members of the Board of Directors and be filed in ArtStream's corporate records. In addition to the obligation of all ArtStream personnel to completely disclose all conflicts of interest to the Board of Directors immediately as such conflicts of interest arise, each such person shall be required to complete and file a Statement of Potential Conflict of Interest Certification with ArtStream on an annual basis, on or before September 1 of each fiscal year. Attached hereto and made a part hereof is the form of the Annual Statement of Potential Conflict of Interest Certification that must be filed.

### **1. Connection To A Person or Entity Doing Business With ArtStream**

No ArtStream personnel having a personal stake in any transaction involving ArtStream shall be permitted to act on behalf of ArtStream regarding the transaction without first obtaining the approval of the Board of Directors through the procedure outlined below.

### **2. Material Conflict With Duties And Obligations To ArtStream**

No ArtStream personnel shall knowingly engage in any activities or transactions in material conflict with their duties and obligations to ArtStream. Whenever any ArtStream personnel discovers an opportunity for business advantage which is relevant to the activities of ArtStream, the opportunity belongs to ArtStream and the individual shall present the opportunity to the

Board of Directors. Only at such time as the Board votes not to pursue the matter and relinquish such an opportunity may the individual consider pursuing it for personal benefit.

### **3. Special Favor or Consideration**

No ArtStream personnel shall receive special favor or consideration from ArtStream because of that individual's current or former position (for a period of 12 months subsequent to leaving any such position) with ArtStream.

No ArtStream personnel shall use their association with ArtStream to obtain special advantage in the conduct of private business.

ArtStream personnel shall not accept or offer favors or gifts from or to anyone who does business with ArtStream, excluding novelty or nominal items under \$50 in value. All gifts must be reported to the ArtStream Executive Director or President of the Board.

### **4. Public Statements or Positions**

While acting as a representative of ArtStream, personnel shall not make any public statement or take any public position that is contrary to the policies, procedures, or interests of ArtStream.

### **5. Additional Obligations of Directors & Officers**

Every Director and Officer shall discharge his/her duties in a manner he/she believes in good faith to be in the best interests of ArtStream and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Directors and Officers shall be cautious and protective of the assets of ArtStream and insure that they are used in the pursuit of the mission of ArtStream. Directors and Officers shall read and understand the Articles of Incorporation, Bylaws, corporate policies, and financial statements. Directors and Officers shall fully prepare for and participate in Board and relevant committee meetings. Directors and Officers shall never exercise authority as Directors and Officers except when acting in meetings with the full Board or as delegated by the Board; provided, however, that if a Board member has significant doubts about a course of action of the Board, he/she shall clearly raise the concern with the Executive Director and the Board and, when appropriate, seek independent expert advice.

### **6. Compensation of Directors & Officers**

No Director shall receive compensation for the performance of his/her Board duties, excepting reimbursement for expenses incurred. No Director shall receive, directly or indirectly, any compensation for additional services rendered to ArtStream outside the scope of his/her Board duties, unless authorized by the affirmative vote of two-thirds (2/3) of all remaining uninterested Directors.

### **7. Service on Boards of Similar Organizations**

Any current or recent (left position within past 12 months) Director or Officer of ArtStream who wishes to serve as a director or officer of any other organization related to art or disability must obtain the approval of the Board of Directors through the procedure outlined below before accepting the nomination to serve with the other organization. Further, any individual currently or recently serving as a director or officer of any other organization related to art or disability

shall be ineligible to become a Director or Officer of ArtStream for a period of 12 months following the conclusion of his/her service with such other organization.

#### **8. Confidentiality**

All ArtStream personnel shall keep confidential those ArtStream matters designated confidential by the Board of Directors or the Executive Director. ArtStream personnel are prohibited from disclosing information about ArtStream to those who do not have a need to know or whose interest may be adverse to ArtStream, either inside or outside ArtStream, and are prohibited from using in any way such information for personal advantage to the detriment of ArtStream.



## **Procedure For Identifying and Handling Conflicts Of Interest**

Any ArtStream personnel having a potential, apparent, or actual conflict of interest on any matter shall not vote, shall not participate, directly or indirectly, in deliberations concerning it, shall not use personal influence on the matter, and shall not be counted in determining the quorum for the meeting, even if permitted by law.

Before the Board of Directors makes any decision to enter into a contractual relationship or other agreement with any person or entity with whom any ArtStream personnel has a personal familial, financial, professional, or employment connection, the person having such a connection must make full disclosure of the connection to the Board of Directors.

Any ArtStream personnel having a potential, apparent, or actual conflict of interest shall either (i) voluntarily abstain from and be disqualified from participation in all deliberation and voting on all Board actions relating to the conflict, or (ii) ask the Board to determine whether an apparent or potential conflict is an actual conflict. The majority affirmative vote of the remaining uninterested Directors present and voting shall be required to determine that an actual conflict of interest is present.

Upon each event of an actual conflict of interest, the interested individual shall not participate in the decision-making process (either by discussion or by vote). A determination of further action shall be made by the Board, after consultation with counsel and in accordance with all applicable law. The majority affirmative vote of all remaining uninterested Directors shall be required to approve any transaction in which an actual conflict of interest is present.

These procedures shall not prevent the interested individual from briefly stating his/her position on the matter, nor from answering pertinent questions from Directors, since his/her knowledge could be of assistance to the deliberations.

The minutes of the meeting shall reflect all information relative to the potential, apparent, or actual conflict of interest, including receipt of any information from any ArtStream personnel concerning the conflict of interest, that a disclosure was made, the abstention from voting, how quorum was obtained, the decision(s) of the Board of Directors, and the basis for the Board's decision.

Transactions involving any interested ArtStream personnel shall not be approved unless the following factors are discussed by the Board and both are present in the proposed transaction:

- 1) ArtStream is entering into the transaction for its own benefit.
- 2) The transaction is fair, reasonable and advantageous to ArtStream under the circumstances at the time the ArtStream enters into the transaction.



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AN ETHICS AND ACCOUNTABILITY CODE  
FOR THE NONPROFIT SECTOR

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## Conflicts of Interest

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The Standards for Excellence Institute  
1500 Union Avenue Suite 2500  
Baltimore, MD 21211  
Phone: 410-727-1726

[www.standardsforexcellence.org](http://www.standardsforexcellence.org)

# Attachment A

## Standards for Excellence Institute

### Model Conflict of Interest Policy<sup>7</sup>

#### I. Application of Policy

This policy applies to board members, staff, and certain volunteers of ABC Nonprofit, Inc. A volunteer is covered under this policy if that person has been granted significant independent decision-making authority with respect to financial or other resources of the organization. Persons covered under this policy are hereinafter referred to as “interested parties.”

#### II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the organization. There are a variety of situations which raise conflict of interest concerns including, but not limited to, the following.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization. Examples include situations where:

- the organization contracts to purchase or lease goods, services, or properties from an interested party, or a relative, or business associate of an interested party;
- the organization purchases an ownership interest in or invests in a business entity owned by an interested party, or by a relative or business associate of an interested party;
- the organization offers employment to an interested party, or a relative, or business associate of an interested party, other than a person who is already employed by the organization;
- an interested party, or a relative or business associate of an interested party, is provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the organization;
- an interested party, or a relative or business associate of an interested party, is gratuitously provided use of the facilities, property, or services of the organization;
- [add additional examples, if any]

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to the

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organization conflicts with a duty or responsibility owed to some other organization. Additional conflicts may be more subtle and be more in the nature of a duality of interest. Examples include where:

- an interested party seeks to obtain preferential treatment by the organization for himself, or relative, or business associate;
  - Due to the nature of the work of ABC Nonprofit, it is possible and even probable that board members or staff members may be in a position where their family members receive services from ABC Nonprofit. Typically, an employee should not work directly in the program where his/her family member is receiving services.
  - All employees should exercise care to ensure that they are not using their position to improperly influence or intervene to advocate for a member of their family that is receiving services (or on a waiting list to receive services).
- an interested party seeks to make use of confidential information obtained from the organization for his own benefit, or for the benefit of a relative, business associate, or other organization;
- an interested party seeks to take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which s/he has reason to believe would be of interest to the organization;
- [add additional examples if any]

### **III. Disclosure of Actual or Potential Conflicts of Interest**

An interested party is under a continuing obligation to disclose any actual or potential conflict of interest as soon as it is known, or reasonably should be known.

An interested party shall complete a questionnaire, in the form attached hereto, to fully and completely disclose the material facts about any actual or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with the organization and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as an actual or potential conflict arises.

For board members, the disclosure statements shall be provided to the President (Chairman) of the Board, or in the case of the President's (Chairman's) disclosure statement shall be provided to the Secretary of the Board. Copies shall also be provided to the Chief Executive Officer of the organization.

In the case of staff or volunteers with significant decision-making authority, the disclosure statements shall be provided to the Chief Executive Officer of the organization, or in the case of the Chief Executive Officer's disclosure statement shall be provided to the President (Chairman) of the Board.

The Secretary of the board of directors shall file copies of all disclosure statements with the official corporate records of the organization.

#### **IV. Procedures for Review of Actual or Potential Conflicts - Generally**

Whenever there is reason to believe that an actual or potential conflict of interest exists between ABC Nonprofit, Inc. and an interested party, the Board of Directors shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedures described in Section IV, below, with respect to a specific proposed action or transaction.

Where the actual or potential conflict involves an employee of the organization other than the Executive Director, the Executive Director shall, in the first instance, be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the organization. The Executive Director shall report to the President (Chairman) the results of any review and the action taken. The President (Chairman), in consultation with the Executive Committee, shall determine if any further board review or action is required.

#### **V. Procedures for Addressing Conflicts of Interest - Specific Transactions**

Where an actual or potential conflict exists between the interests of ABC Nonprofit, Inc. and an interested party with respect to a specific proposed action or transaction, ABC Nonprofit shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the board of directors of the organization. The following procedures shall apply:

- An interested party who has an actual or potential conflict of interest with respect to a proposed action or transaction of the corporation shall not participate in any way in, or be present during, the deliberations and decision making of the organization with respect to such action or transaction. The interested party may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction.
- The disinterested members of the board of directors may approve the proposed action or transaction upon finding that it is in the best interests of the corporation. The board shall consider whether the terms of the proposed transaction are fair and reasonable to the organization and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the board of directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

#### **VI. Conflicts of Interest and Compensation**

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from participating in discussion about, or voting on, matters pertaining to that member's compensation. In the case where the highest ranking staff person is also a voting member of the board, that staff person is precluded from participating in discussion about, or

voting on, matters related to his or her own performance evaluation, benefits, and grievances against that staff person.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from participating in discussion about, or voting on, matters pertaining to that member's compensation.

Any voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **VII. Violations of Conflict of Interest Policy**

If the board of directors has reason to believe that an interested party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the board determines that the interested party has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

This policy is not intended to apply to a certain nonprofit or offer legal advice specific to your organization. Such legal advice or opinions can only be rendered when related to distinct fact situations. Rather, this policy is designed to be used as a resource to provide you with ideas, suggestions, and guidelines, which may be valuable to your organization as a starting point for your own policy.

Carefully review every word in the policies you are interested in adopting and mold the language to your situation and organizational needs. Finally, before publishing a policy, it is always wise to consult an attorney in your state who is versed in nonprofit law to conduct a thorough review of the policy.

**Attachment B**  
**Standards for Excellence Institute**  
**Model Conflict of Interest Policy**  
**Annual Affirmation of Compliance and Disclosure Statement<sup>8</sup>**

I have received and carefully read the Conflict of Interest Policy for board members, staff and volunteers of ABC Nonprofit, Inc. and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that ABC Nonprofit Inc. is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Except as otherwise indicated in the Disclosure Statement and attachments, if any, below, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of ABC Nonprofit Inc., nor does any relative or business associate have such an actual or potential conflict of interest.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the President (Chairman) of the Board of Directors of ABC Nonprofit, Inc or to the Chief Executive Officer, as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

**Name (Please print)** \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

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## Conflict of Interest Disclosure Statement

Name (Please print) \_\_\_\_\_

### Disclosure Statement<sup>9</sup>

Please complete the questionnaire, below, indicating any actual or potential conflicts of interest. If you answer “yes” to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the organization. **Please indicate, during the past 12 months:**

Has the organization contracted to purchase or lease goods, services, or property from you, or from any of your relatives or business associates?  Yes  
 No

*If yes, please describe:*

Has the organization purchased an ownership interest in or invested in a business entity owned by you, or owned by any of your relatives or business associates?  Yes  
 No

*If yes, please describe:*

Has the organization offered employment to you, or to any of your relatives or business associates, other than a person who was already employed by the organization?  Yes  
 No

*If yes, please describe:*

Have you, or have any of your relatives or business associates, been provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the organization?  Yes  
 No

*If yes, please describe:*

Have you, or any of your relatives or business associate, been gratuitously provided use of the facilities, property, or services of the organization?  Yes  
 No

*If yes, please describe:*

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-[add additional examples, if any]

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to the organization conflicts with a duty or responsibility owed to some other organization.

Please indicate if at any time during the past twelve months:

Did you obtain preferential treatment by the organization for yourself, or for any of your relatives or business associates?  Yes  
 No

*If yes, please describe:*

Did you make use of confidential information obtained from the organization for your own benefit, or for the benefit of a relative, business associate, or other organization?  Yes  
 No

*If yes, please describe:*

Did you take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which you had reason to believe would be of interest to the organization?  Yes  
 No

*If yes, please describe:*

Do you have any involvement with any request for proposal or any other vendor or consultant selection process at this organization?  Yes  
 No

*Note that being in this role does not, in itself, create a conflict.*

*If yes, do you accept or reject gifts from current or prospective vendors?*  Yes

*If yes, please describe:*

No

Are you involved with any organizations who serve as partners with this nonprofit organization?  Yes

No

If yes, please provide explanation.

Are you involved with any organizations or seek to become partners with this nonprofit organization?

- Yes
- No

If yes, please provide explanation.

Do you or any companies with which you are employed or own offer services in the same field as this nonprofit organization?

- Yes
- No

If yes, please provide explanation.

Have you ever used your position with the nonprofit organization to benefit your organization, your company, your family or yourself?

- Yes
- No

If yes, please provide explanation.

-[add additional examples if any]

**Attachment C**  
**Questionnaire on Family and Business Relationships**  
**and Interested Person Independence**

Attached is a listing of officers, directors, trustees, key employees, the five highest compensated employees, and the five highest compensated professional and independent contractors. The IRS Form 990 requires that the organization report if any of these individuals are related to each other through family or business relationships. The IRS definitions are:

**Family relationships** includes an individual's spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, great-grandchildren, and siblings.

**Business relationships** are employment and contractual relationships, and common ownership of a business where any officers, directors, or trustees, individually or together, possess more than a 35% ownership interest in common. Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

- I have no family or business relationship with anyone on the attached list.
- I have a family or business relationship with someone on the attached list.

Name of related person: \_\_\_\_\_

Nature of relationship: \_\_\_\_\_

\_\_\_\_\_

(Use reverse of this form if more than one related person.)

**Please check all that apply regarding the independence of you or your family for the ABC's tax/fiscal year which began on \_\_\_\_\_ and ended on \_\_\_\_\_:**

- I have received compensation as an officer or other employee of the organization or of a related organization except as provided in a religious organization exception.
- I have received compensation or other payments exceeding \$10,000 during the organization's tax year from the organization or related organizations as an independent contractor, other than reimbursement of expenses under an accountable plan or reasonable compensation for services provided in the capacity as a member of the governing body.
- I or a member of my family was involved in a transaction with ABC Nonprofit (directly or indirectly through affiliation with another organization) including one of the following: excess benefit transactions, loans to or from interested persons, grants or assistance benefiting interested persons, or business transactions involving interested persons).
- None of the above statements apply to me or my family members.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

Source: Standards for Excellence Institute based on IRS Form 990 Instructions,

Religious exception: The member has taken a bona fide vow of poverty and either (a) receives compensation as an agent of a religious order or a section 501(d) religious or apostolic organization, but only under circumstances in which the member does not receive taxable income or belongs to a religious order that receives sponsorship or payments from the organization which do not constitute taxable income to the member.