

CONFLICTS OF INTEREST POLICY

Adopted by the San Antonio Conservation Society
Board of Directors June 19, 2002
Amended June 17, 2006
Amended August 17, 2011

ARTICLE I

PURPOSES

1.1 Purposes. The purpose of the conflicts of interest policy is to protect the interests of the San Antonio Conservation Society (“Society”) when it is contemplating official business that might benefit the private interest of an officer or director of the Society. The policy is intended to supplement, but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable Societies.

ARTICLE II

DEFINITIONS

2.1. Interested Person. Any director, principal officer, or member of a committee with board delegated powers who has a direct or indirect financial interest, as defined below, or private interest is an interested person.

2.2. 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 the Society has a transaction or arrangement, or
- b. a compensation arrangement with the Society or with any entity or individual with which the Society 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 Society is negotiating a transaction or arrangement.

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

A private or financial interest is not necessarily a conflict of interest. Under Article IV, Section 2, a person who has a financial or private interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

ARTICLE III

UNFAIR ADVANCEMENT OF PRIVATE INTERESTS

3.1 Unfair Advancement of Private Interests. Any director, principal officer, or member of a committee with board delegated powers may not use his or her official position to unfairly advance or impede private interests, or to grant or secure, or attempt to grant or secure for any person (including himself or herself or any other non-profit organization with which he or she is affiliated) any form of special consideration, treatment, exemption, or advantage beyond that which is lawfully available to other persons.

ARTICLE IV

PROCEDURES

4.1. Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and private interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

4.2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial or private interest and all material facts, and after any discussion with the interested person, he or 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 members shall decide if a conflict of interest exists.

4.3. Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that result in the 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 Society can obtain a more advantageous transaction or arrangement with reasonable efforts 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 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 the Society's best interest and for its own benefit and whether the transaction is fair and reasonable to the Society and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4.4. 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 V

POLITICAL ACTIVITIES

5.1 Political Activities of Board Members.

- a. The board members shall be restricted from using the Society, its name, facilities, and property or their association with the Society for political purposes, whether personal or partisan; provided, however, the disclosure in a political biography or advertisement by a political candidate of membership or office held in the Society among a list of other civic activities engaged in by the candidate does not violate this rule.

ARTICLE VI

RECORDS OF PROCEEDINGS

6.1 Minutes. The minutes of the board and all committees with board-delegated powers shall contain -

- a. The names of the persons who disclosed or otherwise were found to have a financial or private interest in connection with an actual or possible conflict of interest, the nature of the 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 any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE VII

COMPENSATION COMMITTEES

7.1 Prohibition on Participation in Compensation Decisions. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Society for services is precluded from voting on matters pertaining to that member's compensation.

ARTICLE VIII

ANNUAL STATEMENTS

8.1. Acknowledgement of Receipt. Each director, principal officer and member of a committee with board-delegated powers shall 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; and,
- d. Understands that the Society 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.

ARTICLE IX

PERIODIC REVIEWS

9.1 Reviews. To ensure that the Society operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic review shall be conducted. The periodic reviews shall at a minimum include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arms-length bargaining.
- b. Whether contracts conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Society's charitable purposes and do not result in inurement or impermissible private benefit.
- c. Whether agreements to provide services further the Society's charitable purposes and do not result in inurement or impermissible private benefit.

ARTICLE X

USE OF OUTSIDE EXPERTS

- 10.1 Experts. In conducting the periodic reviews provided for in Article VIII, the Society may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

ADDENDUM

Per letter dated July 19, 2011
from Banks M. Smith
Lawyer for SACS

“City action such as zoning, issuing demolition permits or construction permits, or initiating public works projects, could affect the value of property in a neighborhood. If a director owns property in a neighborhood, and the San Antonio conservation Society is considering a resolution either in support of or opposed to City action in the neighborhood, the director has a duty to disclose the possible conflict of interest.

After disclosure of the possible conflict of interest, the Board should determine whether a conflict of interest exists under the procedure set forth in Article IV of the Conflict of Interest Policy. Basically, the procedure provides that after full disclosure and discussion with the interested person, he or she will leave the meeting while the determination of the conflict is discussed and voted upon.

Examples of fact situations that might rise to the level of a conflict of interest:

1. The member is an officer or board member of a neighborhood organization that will actively oppose or support the City action.
2. The member owns property immediately adjacent or in close proximity to the site of the City action.

Mere ownership of property in a neighborhood without further involvement should not in and of itself constitute a conflict of interest. However, a disclosure of the ownership should be made to the Board so that the Board could then consider the circumstances to determine if a conflict might exist.

Once the disclosure is made, the Board should consider whether a conflict of interest exists or whether the private interest is so tenuous or theoretical as not to constitute a conflict. If the Board decides that no conflict exists, then the member is allowed to participate in the Board action. If the Board determines that a conflict exists, then the member should not participate.

In determining whether a conflict might exist, the Board should also consider whether allowing the member to participate in the passage of a resolution could create a public perception that the vote of the Board was swayed by the member. For this reason, the President, presiding officers, and committee chairs should have a higher standard as to what private interest constitutes a conflict of interest than a mere voting member. For example, if the President owned property in a neighborhood affected by a City action, the President’s participation in a Board consideration of a resolution opposing the City action, could create a public perception of a conflict.”

Signature Page attached _____

Signature Page
Conflicts of Interest Policy

I have read and do agree to abide by the San Antonio Conservation Society Conflicts of Interest Policy as stated above:

Signature of Board Member

Date

~ Please sign and return this page to the SACS President's Office ~