

CUIRS HAWTAN HAITI RELIEF FUND, INC.
EIN: 27-1766917
Conflict of Interest Policy

Article I
Purpose

The purpose of the Southeastern Massachusetts Credit Grantors, Inc. (the “Organization”) Conflict of Interest Policy is to protect this tax-exempt organization’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 Organization 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.

Article II
Definitions

1. Interested Person

An interested person is any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below.

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 Organization has a transaction or arrangement;
- b.** A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement.

3. Compensation

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

4. Conflict of Interest

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest has a conflict of interest only if the appropriate governing board or committee determines by majority vote that a conflict of interest exists.

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Article III **Procedures**

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to present all material facts to the directors and members of committees with governing board delegated powers that are considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining disinterested board or committee members shall then discuss and vote on whether a conflict of interest exists. Whether a conflict of interest exists is determined by majority vote of the disinterested board or committee members.

3. Procedures for Addressing a Conflict of Interest

Once the board or committee has voted that a conflict of interest exists, the board or committee shall determine whether to approve the conflicted transaction or arrangement according to the following procedures:

- a.** The interested person may make a presentation at the governing board or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest.
- b.** The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. The board or committee is not compelled to seek a less advantageous arrangement solely to avoid the conflict.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization can reasonably obtain a more advantageous transaction or arrangement from a person or entity that would not involve a conflict of interest.
- d.** If a more advantageous transaction or arrangement not involving a conflict of interest is not reasonably possible, the governing board or committee shall determine by a majority vote of the disinterested directors whether the conflicted transaction or arrangement is in the Organization'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.

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4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe 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 member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, as determined by a majority vote of disinterested directors, which may include, but is not limited to, disqualifying the member from the bidding process or rescinding the existing arrangement in question.

Article IV

Records of Proceedings

The minutes of the governing 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 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 governing board's or committee's decision as to whether a conflict of interest in fact existed; and

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 with the proceedings.

Article V

Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

2. 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 voting on matters pertaining to that member's compensation.

3. No 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.

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Article VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms 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 the Organization is charitable and 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 VII
Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Organization shall conduct periodic reviews. The periodic review 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; and,
- b.** Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization'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.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility to ensure that periodic reviews are conducted.