

**Conflict of Interest Policy**  
**Adopted June 20, 2012**  
**Amended February 25, 2015**

**Article I. Purpose**

The purpose of this conflict of interest (“COI”) policy is to protect YaleWomen’s interests and assets, both tangible and intangible, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Council member, chapter leader, or other individual with Council-delegated powers, 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.** Any Council member, officer, chapter leader, or member of a committee with Council- delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
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 YaleWomen has a transaction or arrangement,
  - b. A compensation arrangement with YaleWomen or with any entity or individual with which YaleWomen has a transaction or arrangement, or
  - c. An ownership or investment interest in, or compensation arrangement with, any entity or individual with which YaleWomen is negotiating a transaction or arrangement.

A possible financial interest exists if there is a pending or potential ownership or investment interest in, or compensation arrangement with any entity or individual with which YaleWomen has a transaction or arrangement or is negotiating a transaction or arrangement. For the purposes of this policy, a possible financial interest shall be disclosed in the same manner as an actual financial interest.

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

A financial interest is not necessarily a conflict of interest. Under **Article III, Section 3**, a person who has a financial interest has a conflict of interest if the appropriate Council or committee decides that a conflict of interest exists or if the arrangement is such that a reasonable person would conclude that a conflict of interest exists.

**Article III. Procedures**

1. **Duty to Disclose.** In connection with any actual or possible financial interest or any arrangement that might lead a reasonable person to question whether a conflict of interest exists, an interested person must disclose the existence of such financial interest or

arrangement and be given the opportunity to disclose all material factors to the members of the Council or committee with Council-delegated powers considering the proposed transaction or arrangement.

2. **Fiduciary Duty of Council members and members of committees.** All those Council members or members of committees who are not interested persons and who will hear, discuss or decide matters concerning a conflict of interest or an apparent conflict of interest, shall be bound in their consideration of the matter by their fiduciary duty to YaleWomen.

At all times, they shall safeguard the interests of YaleWomen and shall place those interests above those of any individual or any other entity.

3. **Determining Whether a Conflict of Interest Exists.** After disclosure of such financial interest or possible financial interest or other arrangement of potential concern and all material facts, and after any discussion with the interested person, she shall leave the Council or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Council or committee members shall decide if a true conflict of interest exists or whether an arrangement, which is determined not to be a true COI, is nonetheless such that it would damage the intangible assets of YW and would thus be imprudent.

4. **Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the Council or committee meeting, but after the presentation, she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chair of the Council 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 Council or committee shall determine whether YaleWomen can obtain with reasonable efforts an equal or more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If an equal or more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Council or committee shall determine by a majority vote of the disinterested Council or committee members whether the transaction or arrangement is in YaleWomen's best interest, for its own benefits, 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.

5. **Violations of the Conflict of Interest Policy**

- e. If the Council has reasonable cause to believe an interested person has failed to disclose an actual or possible financial interest, it shall inform that individual of the basis for such belief and afford that individual an opportunity to explain the alleged failure to disclose.

- f. If, after hearing such individual's response and after making further investigation as warranted by the circumstances, the Council determines that individual has willfully or otherwise failed to disclose an actual or possible financial interest, it shall take appropriate disciplinary and corrective action, which may include censure, suspension, or termination.

#### **Article IV. Records of Proceedings.**

The minutes of the Council and all committees with board- delegated powers shall contain:

1. The names of the persons who disclose or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the natures of the financial interest, any action taken to determine whether a conflict of interest was present, and the Council's or committee's decision as to whether a conflict of interest in fact existed or whether the appearance of a COI was substantial enough to make the transaction imprudent.
2. 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 Council who receives compensation, directly or indirectly, from YaleWomen for services may present information to the Council regarding her compensation but is precluded from voting on matters pertaining to that member's compensation or from being present during discussion or voting on the matter.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from YaleWomen for services may present information to the Council regarding her compensation but is precluded from voting on matters pertaining to that member's compensation or from being present during discussion or voting on the matter.
3. No voting member of the Council or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from YaleWomen, Inc., either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI. Annual Statements**

Each Council member, officer and committee member with Council-delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the Conflict of Interest Policy;
2. Has read and understands the policy;
3. Understands the fiduciary nature of her position as a member of the Council or the committee;

4. Has agreed to comply with the Conflict of Interest policy; and
5. Understands that YaleWomen 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 VII. Periodic Reviews**

To ensure that YaleWomen operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures and arrangements with management organizations or service providers conform to YaleWomen's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in 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**, YaleWomen may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Council of its responsibility for ensuring periodic reviews are conducted.