



## Conflict of Interest Policy & Statement

### I. Purpose

- A. The purpose of the Conflict of Interest Policy is to ensure that the deliberations and decisions of the LDE-DC Board protect the interests of LDE-DC when it is contemplating entering into a transaction, contract or arrangement that might benefit the private interest of an Interested Director, Officer or Person.
- B. An interested Director, Officer or Person may not use her position with respect to LDE-DC , or confidential LDE-DC information obtained by her relating to LDE-DC , in order to achieve a financial benefit for herself or for a third person, including another nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable corporations.

### II. Definitions

- A. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
- B. Family of any individual shall include only her spouse; her siblings and their spouses; her ancestors; and her descendants and their spouses.
- C. Interested person shall mean any person currently being compensated by LDE-DC for services rendered to it within the previous 12 months whether as a full-time or part-time employee or independent contractor.
- D. Financial Interest is when a person has
  - 1. An existing or potential ownership or investment interest in any entity with which LDE-DC has transactions, contract or other arrangement, or
  - 2. A compensation arrangement with LDE-DC or with any entity or individual with which LDE-DC has a transaction, contract or other arrangement, or
  - 3. An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which LDE-DC is negotiating a transaction, contract or other arrangement, or
  - 4. An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of LDE-DC.

### III. Duty to Disclose

- A. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of her financial interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.
- B. Upon election to the board or appointment to a committee with board-delegated powers, each interested person shall be provided with a conflict of interest policy and be required to sign a disclosure statement.

### IV. Determining Whether a Conflict of Interest Exists

- A. After disclosure of the financial interest and all material facts, and after and discussion with the interested person, she shall leave the board or committee meeting while the determination of the conflict of interest is discussed and voted upon.
- B. The remaining board or committee members decide if a conflict of interest exists.

### V. Procedures for Addressing the Conflict of Interest

- A. An interested person may make a presentation at the board or committee meeting, but after such a presentation, she shall leave the meeting during the discussion of and the vote on the transaction or arrangement that may result in a 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 LDE-DC 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.

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- 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 LDE-DC's best interest and for its own benefit and whether the transaction is fair and reasonable to LDE-DC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

**VI. Violations of the Conflicts of Interest Policy**

- A. If the board member 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 the hearing the response of the member and making 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.
- C. The violation of this conflicts of interest policy is a serious matter and may constitute "cause" for removal or termination of a director or officer, or the termination of any contractual relationship LDE-DC might have with an interested party or other.

**VII. Records of Proceedings**

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 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 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.

**VIII. Compensation Committees**

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from LDE-DC for services is precluded from voting on matters pertaining to that member's compensation.

**IX. Annual Statements**

Each director, officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person

- A. Has received a copy of the Conflict of Interest Policy
- B. Has read and understands the policy
- C. Has agreed to comply with the policy, and
- D. Understands that LDE-DC is charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

**X. Periodic Review**

To ensure that LDE-DC 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 reviews shall be conducted. The periodic reviews shall, at a minimum include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable and the result of objective negotiations.
- B. Whether partnership and joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further LDE-DC's charitable purposes and do not result in impermissible private benefit.

**XI. Use of Outside Experts**

In conducting the periodic reviews of operations, LDE-DC 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.

Adopted by the LDE-DC -Washington, DC Chapter Board of Directors on October 1, 2012.

## Conflict of Interest Disclosure Statement

*I have read Les Dames d'Escoffier Washington, DC Chapter's Conflict of Interest Statement for Directors, Officers and Committee Members and I understand the application of the policy. To the best of my knowledge and belief:*

\_\_\_\_\_ I have nothing to disclose.

\_\_\_\_\_ I have the following disclosure(s): Please indicate all relevant items and provide specifics below.

1. I have a Financial Interest in the following organization(s) doing business with LDE-DC.
2. I am compensated by an officer, director, trustee in the following organization(s) please specify

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3. I am engaged (or soon to be engaged) in business transactions with LDE-DC. \_\_\_\_\_ YES \_\_\_\_\_ NO
  4. I am an officer, trustee or director in the following nonprofit organization(s) with purposes directly or indirectly related to those of LDE-DC. please specify

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5. I am an officer, trustee or director in the following directly or indirectly related nonprofit organizations that receive financial support from LDE-DC. please specify
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6. I am performing (or bidding on) a professional service for LDE-DC, for which I will receive compensation.
7. Other (please explain):  
Specifics:

Name (please print): \_\_\_\_\_

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