

## CONFLICT OF INTEREST POLICY

### Article One Purpose

The purpose of the Conflict of Interest Policy is to implement Article 1 Section 5 of the Bylaws and to protect the interests of the North Myrtle Beach Chamber of Commerce, Convention and Visitors Bureau (NMB Chamber/CVB) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or staff member of the NMB Chamber/CVB 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 Two Definitions

1. **Interested Person** - Any director, officer, staff member, or member a committee, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest** – A person who has directly or indirectly through business, investment or family:
  - a. An ownership or investment interest in any entity with which NMB Chamber/CVB has a transaction or arrangement;
  - b. A compensation arrangement with the NMB Chamber/CVB or with any entity or individual with which the CVB 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 NMB Chamber/CVB is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors or committee decides that a conflict of interest exists.

### **Article Three** **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 disclose all material facts to the directors and members of committees 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, he or she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors or committee members shall decide if a conflict of interests exists.
3. **Procedures for Addressing the Conflict of Interest.**
  - a. An interested person may make a presentation at the Board of Director's meeting or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and vote on the transaction or arrangement involving the possible conflict of interest.
  - b. The Chair of the Board of Directors or chair of the 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 of Directors or committee shall determine whether the NMB Chamber/CVB can obtain with reasonable efforts a more advantageous transaction or arrangement 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 possible, under the circumstances, not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the NMB Chamber/CVB'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.
4. **Violations of the Conflicts of Interest Policy.**
  - a. If the Board of Directors 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 a 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 Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article Four** **Records of Proceedings**

The Minutes of the Board of Directors and all committees 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, and action taken to determine whether a conflict of interest was present, and the Board of Director'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 discussion and votes relating 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 Five** **Compensation**

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the NMB Chamber/CVB for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction including compensation matters and who receives compensation, directly or indirectly from the NMB Chamber/CVB for service is precluded from voting on matters pertaining to that member's compensation.
- c. No member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the NMB Chamber/CVB either individually or collectively is prohibited from providing information to any committee regarding compensation.

**Article Six**  
**Annual Statements**

Each director, officer, staff member and member of a committee shall annually sign a statement which affirms such person:

- a. Received a copy of the Conflicts of Interest Policy;
- b. Read and understands the Policy;
- c. Agreed to Comply with the Policy;
- d. Understands that the NMB Chamber/CVB is a non-profit corporation and in order to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax-exempt purposes.

**Article Seven**  
**Periodic Reviews**

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

- a. Whether compensation arrangements and benefits are reasonable based on competent survey or other information and the result of arm's length bargaining.
- b. Whether partnership, joint ventures, and arrangements with management organizations conform to the NMB Chamber/CVB's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its purposes and do not resulting inurnment, impermissible private benefit or in an excess benefit transaction.

**North Myrtle Beach Chamber of Commerce, Convention & Visitors Bureau  
CONFLICT OF INTEREST DISCLOSURE FORM**

In addition to my service for the NMB Chamber/CVB, currently, I am an officer, Board Member or employee of the following organizations:

- 1.
- 2.
- 3.
- 4.
- 5.

This Disclosure is to certify that I have received a copy of the NMB Chamber/CVB Conflict of Interest Policy (Policy) and that I understand that as an officer, director, or staff member of the NMB Chamber/CVB, I am bound by the policy and agree to abide by its requirements and prohibitions. Further, I certify that, except about carrying out my duties as an officer, director or staff member of the NMB Chamber/CVB or as described below, I am not now nor at any time during the past year:

1. A participant directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party; doing business with the NMB Chamber/CVB which has resulted or could result in personal benefit to me.
2. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transition with the NMB Chamber/CVB.

Any exceptions to 1 or 2 above are stated below with a full description of the transaction and of the interest, whether direct or indirect, which I have (or have had in the past year) in the persons or organizations having transactions with the NMB Chamber/CVB.

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

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