

RICHMOND SPCA

Conflict of Interest Policy And Annual Statement for Directors and Officers

1. **Duty of Directors, Officers, and Employees.** The directors, officers, and employees of the Richmond SPCA (the “Organization”) shall exercise the utmost good faith in all transactions touching upon their duties to the Organization and its property. In their dealings with and on behalf of the Organization, they are held to a strict rule of honest and sincere dealing among themselves and the Organization. They shall not use their positions, or knowledge gained therefrom, so that a conflict might arise between the Organization’s interest and that of the director, officer, or employee.
2. **Definition of "Interest."** For purposes of this policy, a person shall be deemed to have an “interest” in a contract, transaction, or other arrangement, or in the same or related business or mission as that of the Organization, if the person is the party (or one of the parties) contracting or dealing with the Organization, or is a director, trustee, manager, or officer of, or general partner of, or has a existing or potential material financial or influential interest in, the entity contracting or dealing with the Organization or an entity with an interest that is materially adverse to that of the Organization. Relationships and dealings of the Organization with corporations, partnerships, joint ventures, or other entities owned by the Organization shall not constitute an “interest” or conflict of interest under this policy.
3. **Full Disclosure.** Any director, officer, or employee having an interest in a contract, transaction, or arrangement presented to the Executive Committee of the Board of Directors of the Organization for consideration, authorization, approval, discussion, or ratification, shall make a prompt, full, and frank disclosure of his or her interest to the Executive Committee of the Board of Directors of the Organization at the first possible meeting of the Executive Committee and, in any case, before any action on such contract, transaction, or arrangement by the Executive Committee or the full Board of Directors. Such disclosure shall include any relevant and material facts known to such person that might reasonably be construed to be adverse to or potentially adverse to the interest of the Organization.
4. **Standards and Procedures.** The Executive Committee of the Board of Directors shall examine potential conflicts of interest pursuant to the following standard and procedures:
 - The Executive Committee of the Organization may request the person to provide factual information regarding the potential or actual conflict of interest and such proposed contract, transaction, or arrangement.
 - After exercising due diligence, the Executive Committee of the Organization shall thereupon determine, by majority vote, whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist.
 - If deemed appropriate, the Executive Committee may appoint a non-interested person, committee, or subcommittee to investigate alternatives to such proposed contract, transaction, or arrangement that would not give rise to a conflict of interest.

- If a conflict of interest is deemed to exist by the Executive Committee, such person having the conflict of interest shall not participate or attend, vote on, or use his or her personal influence in connection with the discussions, deliberations, and vote with respect to such contract, transaction, arrangement, or any related matters affecting the Organization.
- At any meeting of the Board of Directors or Executive Committee of the Organization where such contract, transaction, or arrangement is under discussion or is being voted upon, a quorum is present if a majority of the members of the Board of Directors or Executive Committee, as the case may be, who have no direct or indirect personal interest in such contract, transaction, or arrangement participate in the vote held to authorize, approve, or ratify such contract, transaction, or arrangement.
- In order to approve such contract, transaction, or arrangement, the Board of Directors or Executive Committee of the Organization must first find, by majority vote without counting the vote of any interested director(s), that:
 - (i) such proposed contract, transaction, or arrangement is in the Organization's best interest and for its own benefit; and
 - (ii) such proposed contract, transaction, or arrangement is fair and reasonable to the Organization.
- The minutes of the meeting shall reflect the disclosure made, the persons present for the discussion and vote, the content of the discussion, the vote thereon (including any roll call) and, where applicable, the abstention from voting and participation, and that a quorum was present. The Secretary of the Organization shall keep minutes of the discussions and deliberations as part of the minutes of the Organization.

5. **Corrective and Disciplinary Action.** The violation of this conflict of interest policy is a serious matter and shall constitute "cause" for removal or termination of a director, officer, or employee in the discretion of the Executive Committee.

6. **Annual Statements**

Each director, officer and member of the Board of Directors shall annually sign a statement which affirms such person:

- has received a copy of this conflict of interest policy,
- has read and understands the policy,
- agrees to comply with the policy, and
- understands that the Richmond SPCA is a charitable organization and, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.