



## CONFLICT-OF-INTEREST

### Reason for Statement

Common Threads, as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of Common Threads first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between Common Threads and its board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of Common Threads honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Common Threads. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Common Threads or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

### Persons Concerned

This statement is directed not only to board members and officers, but to all employees who can influence the actions of Common Threads. For example, this includes all who make purchasing decisions, all other persons who might be described as “management personnel,” and all who have proprietary information concerning Common Threads.

### Key Areas in Which Conflict May Arise

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- Persons and firms supplying goods and services to Common Threads
- Persons and firms from whom Common Threads leases property and equipment
- Persons and firms with whom Common Threads is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property
- Competing or affinity organizations
- Donors and others supporting Common Threads
- Recipients of grants from Common Threads
- Agencies, organizations, and associations that affect the operations of Common Threads
- Family members, friends, and other employees

### Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in above. Such an interest might arise, for example, through

1. Owning stock or holding debt or other proprietary interests in any third party dealing with Common Threads
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with Common Threads
3. Receiving remuneration for services with respect to individual transactions involving Common Threads
4. Using Common Threads’ time, personnel, equipment, supplies, or good will other than for approved Common Threads activities, programs, and purposes
5. Receiving personal gifts or loans from third parties dealing with Common Threads. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

Signed By: \_\_\_\_\_

Date Signed: \_\_\_\_\_