

## Conflict of Interest Policy – Approved 03/05/2020

This policy documents the identification of conflicts and the handling of such conflicts when they arise. A conflict arises when a person has a (potential or actual) financial or other beneficial outcome related to conduct of the organization's affairs. The emphasis is on transparent disclosure of the financial interests of decision makers, and transparent decision making in the best interests of the organization.

1. It is the policy of the NCSBA for all affiliated persons to follow the NC law on Conflict of Interests (GS 55A-8-31 included below). The policy documented here supplements the General Statute.
2. Identifying Interested Persons. A person is "interested" when he/she has a potential gain from conducting the organization's business. The conflict may arise from employment, business ownership, investment or other compensation arrangement with an entity transacting business with the organization. Such relationships extend to spouses, parents and other close relatives.
3. Duty to disclose. All officers, directors, committee members and all who have decision making or voting authority within the organization are required to disclose the existence of possible conflicts in a timely manner prior to initiating the transaction or relationship.
4. At the beginning of each Board of Directors (BOD) meeting the President or Presiding Officer will ask for any potential Conflict situations to be brought forth for discussion.
5. If a conflict arises during the course of business the individual will disclose such conflict to the President of the NCSBA immediately. If the conflict involves the President then the conflict will be disclosed to the Past President of the NCSBA immediately. The President or Past President will then consult with the Board of Directors.
6. Determining if a conflict exists. The BOD will review possible conflicts and determine whether a conflict exists for an individual in a timely manner.
7. Addressing a conflict. The BOD, without the vote of the interested person, will determine whether a financial transaction involving an interested person is in the best interests of the organization and should proceed. Such determinations will be recorded into the official proceedings of the BOD.
8. Annually each officer, board member and committee chair shall complete and sign the attached Acknowledgement Statement.

North Carolina General Statute re: Conflict of Interest (Nonprofit)

**§ 55A-8-31. Director conflict of interest.**

(a) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable by the corporation solely because of the director's interest in the transaction if any one of the following is true:

- (1) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board and the board or committee authorized, approved, or ratified the transaction;
- (2) The material facts of the transaction and the director's interest were disclosed or known to the members entitled to vote and they authorized, approved, or ratified the transaction; or
- (3) The transaction was fair to the corporation.

(b) For purposes of this section, a director of the corporation has an indirect interest in a transaction if:

- (1) Another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction; or
- (2) Another entity of which he is a director, officer, or trustee is a party to the transaction and the transaction is or should be considered by the board of directors of the corporation.

(c) For purposes of subdivision (a)(1) of this section, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board of directors (or on the committee) who have no direct or indirect interest in the transaction, but a transaction shall not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subdivision (a)(1) of this section if the transaction is otherwise authorized, approved, or ratified as provided in that subdivision.

(d) For purposes of subdivision (a)(2) of this section, a conflict of interest transaction is authorized, approved, or ratified by the members if it receives a majority of the votes entitled to be counted under this subsection. Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in subdivision (b)(1) of this section, shall not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under subdivision (a)(2) of this section. The vote of these members, however, is counted in determining whether the transaction is approved under other sections of this Chapter. A majority of the votes, whether or not present, that are entitled to be cast in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

(e) The articles of incorporation, bylaws, or a resolution of the board may impose additional requirements on conflict of interest transactions.

[END]

**NORTH CAROLINA STATE BEEKEEPERS ASSOCIATION  
CONFLICT OF INTEREST POLICY:  
ACKNOWLEDGMENT STATEMENT**

NCSBA follows a conflict of interest policy designed to foster confidence in our integrity and to protect our interests when we are contemplating entering a transaction or arrangement that might benefit the private interest of a director, an officer, a volunteer, or other interested persons.

**Part I. Acknowledgment of Receipt**

I hereby acknowledge that I have received a copy of the conflict of interest policy of the NCSBA, including the NC General Statute, have read and understood it, and agree to comply with its terms.

_____	_____
Signature	Date
_____	
Printed Name	

Revised 03/2020