

## SHARON LYNNE WILSON CENTER FOR THE ARTS

### **Conflict of Interest Policy For Directors, Officers and Employees**

**Definition of Conflict of Interest.** A conflict of interest for a Director, Officer or employee of the Sharon Lynne Wilson Center for the Arts can arise when the Center engages in a transaction or activity in which the Director, Officer or employee has a direct or indirect financial interest. An indirect financial interest would include a transaction or activity that provides a financial benefit to a member of such person's immediate family, or to another organization or company with which such person is involved as a major investor, director, officer or employee.

**Rationale for this Policy.** We want to deal with conflict of interest situations in an appropriate manner because being a Director, Officer or employee of the Center is, in a very real sense, a position of trust. The Center depends on trust and public confidence for the private contributions and other support necessary for the Center's existence. For that reason, it is important that our Directors, Officers and employees follow the disclosure and decision process guidelines set forth in this policy.

**Disclosure of Conflicts.** There are times when a Director, Officer or employee may be in a situation that presents an actual or potential conflict of interest. The way to avoid a violation (or perceived violation) of the conflict is to inform the President of the Wilson Center Board of Directors of the situation in writing when the potential conflict involves \$1,000 or more. The Board of Directors believes this should be done for each such situation that could be perceived as a conflict of interest.

This situation might occur, for example, when the individual can further the Center's interests (such as saving money) by advancing a transaction for the Center involving a business or organization in which the Director, Officer or employee has a financial interest or employment relationship. This is not inherently wrong, of course. What would be wrong is if the individual urged us to go forward with the transaction or participated in the decision-making process without disclosing that relationship.

Once the disclosure is made, the President will confer with the Center's Executive Director (and perhaps others, if the President thinks it would be appropriate) and let the involved individual know, in writing, whether to continue his or her activity or not. If the activity involves a decision by the Board, then the involved individual will be excluded from the decision making process, as set out below.

**Exclusion from Participation in Decision by Person with Conflict.** In any matter requiring a decision of the Board of Directors or a committee of the Board of Directors in which a participating Director, Officer or employee has a conflict of interest, the material facts of the transaction and the individual's interest shall be disclosed, and the transaction approved by the affirmative majority of the members on the Board or on the committee consisting entirely of members who have no direct or indirect interest in the transaction.

Board members who have declared or have been found to have a conflict of interest in any matter pending before the Board shall refrain from participation in consideration of the matter. The Board may request information or interpretation from the person or persons involved in the conflict. The Board member involved in the conflict shall not vote on such matters. Any Board member who is uncertain about a possible conflict of interest in any matter should request the Board to make a determination. The Board will resolve the question by majority vote.

**Reading and Signing a Disclosure Statement.** Each Director, Officer and employee of the Center will be expected to sign a declaration stating that he or she has read this policy, and each such person will be expected to list any potential conflicts of interest involving \$1000 or more with respect to uncompleted transactions or activities. Individuals currently in these positions will be asked to sign the statement and provide such list within 60 days of this policy's adoption by the Board of Directors. In the future, new Directors, Officers and employees will be expected to sign the declaration and provide such list within 30 days of being elected or appointed to their position.

**Report to Executive Committee.** The President or the Executive Director shall provide to the Executive Committee at its first meeting after the end of each fiscal year a report summarizing all of the potential and actual conflicts of interest reported to them pursuant to this policy during such recently ended fiscal year.

Adopted by the Board of Directors on: December 19, 2007