

**Optimist Club of Herndon
Statement of Policy**

1. Policy Name: **Conflict of Interest**

2. Policy Effective Date: Initial March 28, 2020
 Revision November 6, 2023

3. Policy Review Date (or “None”): Annually

4. Policy Expiration Date (or “None”): None

5. Policy Purpose and Objectives:

The purpose of this policy is to protect the Optimist Club of Herndon’s (hereafter referred to as “HOC”) interests and reputation when contemplating or executing a transaction that might directly or indirectly benefit the personal interests of an HOC Board Officer or Director or any other person who has been delegated the authority to make purchases for an HOC program.

6. Persons and Programs to Which the Policy Applies:

This policy applies to all HOC Board Officers, Directors (Civic and Sports Program Directors), and any other person with delegated authority who is contemplating or executing transactions on behalf of the Optimist Club of Herndon.

7. Requirements to Satisfy the Policy:

This policy is satisfied under the following conditions:

- a. Before an agreement to execute a transaction is signed or a transaction is executed, the HOC Officer, Director, or person with delegated authority brings to the attention of the HOC Board that they have, directly or indirectly, through business, investment, or close personal connection, an ownership or investment interest in, or may be compensated by, the entity with which the HOC is negotiating a transaction or arrangement. It is important to note that an interest in an entity is not necessarily a conflict of interest. A person who has an interest in an entity has a conflict of interest when the HOC Board decides that a conflict of interest exists.
 - i. Example 1: An HOC Board Officer, Director, or person with delegated authority is employed by a services or goods supplier and makes a decision to purchase services or goods from his or her employer for the HOC program that he or she oversees without evaluating other suppliers’ offers. The HOC Board must determine whether the Officer, Director, or person with delegated authority benefited from this transaction either directly (e.g., received a bonus) or indirectly (e.g., received a promotion or other gifts in kind).
 - ii. Example 2: The spouse or significant other of an HOC Officer, Director, or person with delegated authority works for a services or goods supplier,

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and the supplier is given marketing access to an HOC program's participants without making a donation to the HOC program. The HOC Board must determine whether the Officer, Director, or person with delegated authority indirectly benefited from this transaction (e.g., the spouse or significant other received compensation or other gifts in kind).

- b. An HOC Officer, Director, or person with delegated authority becomes aware of a potential conflict of interest by another HOC Officer, Director, or person with delegated authority and brings it to the attention of the HOC Board.
- c. The HOC Board is provided and evaluates the relevant information concerning the potential conflict of interest, determines whether a conflict of interest is present and what action(s), if any, are to be taken, and documents and provides to the Officer, Director, or person with delegated authority the results of their decision and direction on actions to be taken.

8. Assistance and Resources Provided to Execute the Policy:

A member of the HOC Board will be made available upon request to provide assistance in gathering relevant information concerning a potential conflict of interest and presenting it to the HOC Board.

9. Policy Implementation:

- a. This policy is to be implemented as of the Policy Effective Date.
- b. If there is a potential conflict of interest by an HOC Officer, Director, or person with delegated authority, a notification must be sent within three (3) days of knowledge of the potential conflict of interest via email to the HOC Board identifying the person(s) involved, the date(s) and description of the transaction(s), the reason(s) a potential conflict of interest may be present, and what action(s) the officer, director, or person with delegated authority has taken to mitigate a potential conflict of interest.
- c. The HOC Board may select a disinterested person or persons to gather relevant information regarding the potential conflict of interest or investigate or pursue alternatives to the proposed transaction or arrangement.

10. Consequences of Failure to Follow the Policy:

- a. If an HOC Officer, Director, or person with delegated authority executes their duties in a manner inconsistent with this policy, the HOC Board will send an email to the Officer, Director, or person with delegated authority identifying the potential conflict of interest, the corrective action(s) to be taken, and the timeframe(s) for executing the corrective action(s).
- b. If the HOC Officer, Director, or person with delegated authority does not complete the corrective action(s) within the specified timeframe(s), the HOC Board may suspend or remove the person from their position on the HOC Board or in the HOC program.