

## New Mexico Press Women (NMPW) Conflict of Interest Policy

### Article I

#### Purpose

The purpose of the conflict-of-interest policy is to protect this tax-exempt organization's (New Mexico Press Women) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the NMPW or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

### Article II

#### Definitions

1. **Interested Person:** Any officer, director, chapter representative, committee chair or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the NMPW has a transaction or arrangement, or
  - b. A compensation arrangement with the NMPW or with any entity or individual with which the NMPW has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the NMPW is negotiating a transaction or arrangement.
  - d. Compensation includes direct and indirect remuneration as well as gifts or favors that aren't insubstantial as determined by the Board. A financial interest isn't necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the NMPW Board decides that a conflict of interest exists.

### Article III

#### Procedures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the NMPW Board considering the proposed transaction or arrangement.

**2. Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the NMPW Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining NMPW Board shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at an NMPW Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The NMPW President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the NMPW Board shall determine whether the NMPW can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the NMPW Board shall determine by a majority vote of the disinterested Board members whether the transaction or arrangement is in the NMPW best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

### **4. Violations of the Conflict of Interest Policy**

- a. If the NMPW Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the NMPW Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

## **Article IV**

### **Records of Proceedings**

The minutes of the NMPW Board shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the

financial interest, any action taken to determine whether a conflict of interest was present, and the NMPW Board's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## **Article V**

### **Annual Compliance Statements**

Annually at the third NMPW Board meeting (usually September), as an agenda item this policy shall be read and each interested person on the Board will be given the opportunity to disclose any potential conflict of interest. The agenda item will also do a roll call of each Board member affirming that they will comply with this NMPW Conflict-of-Interest policy.

This policy will be incorporated into the NMPW Bylaws and each Interested Person appointed to their position shall read the NMPW Bylaws upon nomination and prior to a vote by the NMPW Board.

## **Article VI**

### **Annual Reviews**

To ensure the NMPW operates in a manner consistent with its Bylaws and doesn't engage in activities that could jeopardize its tax-exempt status, annual review shall be conducted. The annual review conducted in or around the third NMPW Board meeting shall, at a minimum, include the following subjects:

- a. Whether any financial transactions or arrangements are reasonable, based on Article III-3.
- b. Whether interested parties are following disclosure process and Article V.

## **Article VII**

### **Use of Outside Experts**

When conducting the periodic reviews, as provided for in Article VI, the NMPW may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.