

RMFR Conflict of Interest Policy

Purpose

The purpose of this conflict of interest policy is to protect Rocky Mountain Feline Rescue (the “Corporation”) from potential conflicts of interest that may benefit the private interest of a board director or could create an excess benefit transaction. The intent of this policy is to supplement any applicable state or federal laws that govern conflict of interest.

Definitions

1. Interested Person: The Corporation defines directors, principal officers, or committee members with powers delegated by the board who have a direct or indirect financial interest, as defined below.
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 RMFR has a transaction or arrangement,
 - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

Article III, Section 2 of IRS Form 1023 clarifies that a person with a financial interest may have a conflict only if the governing board or committee has a consensus that a conflict exists.

Procedures

1. Duty to Disclose: Related to any actual or potential conflict of interest, an interested person must disclose the existence of a financial interest. The board of directors shall provide the interested person with an opportunity to disclose all material facts to the board and committees with governing board-delegated powers considering the proposed transaction or arrangement that poses a potential conflict. To aid the disclosure and serve as documentation, each board member shall complete a conflict of interest questionnaire at least annually, and more often as needed.
2. Making a Determination of Conflict of Interest: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, that person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
3. Procedures for Managing the Conflict of Interest:
 - a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, that person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- b. The President (or Co-President) or Chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the governing board or committee shall determine whether the Corporation 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 is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's 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 Conflicts of Interest Policy:
- a. If the governing board or committee 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 governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the governing board and all committees with delegated powers shall contain the names of the persons who disclosed or were found to have a conflict or potential conflict, the nature of the conflict, any action taken by the governing board and the governing board's decision on the existence of the conflict. The record will also show the names of persons present for discussions and votes, alternatives to the vote and a record of votes taken.

Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

The Corporation shall operate in a manner consistent with charitable purposes and shall not engage in activities that may jeopardize its tax-exempt status. The governing board or committee shall conduct periodic reviews to include such issues as whether transactions and agreements present potential conflicts of interest. The reviews shall also inquire about partnerships, joint ventures, and other arrangements; and whether those arrangements conform to the Corporation's written policies, including whether those arrangements are properly recorded and reflect reasonable investments or payments for goods or services.

Use of Outside Experts

The governing board or committee may use outside experts when conducting periodic reviews on conflicts of interest. When experts are used, their use does not replace the board's responsibility for conducting future periodic reviews.