

## **POLICY ON CONFLICTS OF INTEREST AND DISCLOSURE OF CERTAIN INTERESTS**

*Adopted 4/8/06, Revised 1/24/11, 6/20/20*

This conflict of interest policy is designed to help directors, officers, and employees of the Island Housing Trust Corporation (IHT) identify situations that present potential conflicts of interest and to provide the IHT with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction.

The Bylaws of IHT prohibit any Director of the Corporation or any organization of which such Director is an owner from being remunerated by the Corporation and require an interested director to withdraw from the discussion and voting on a transaction or contract in which he or she is interested. This policy concerns conflicts of interest more generally.

The IHT recognizes that conflicts of interest may arise not only in the context of a transaction but also in situations where a Responsible Person's personal interests, or the interests of a related person, personal friend, business associate, an entity by which he or she is employed, or in which he or she is interested such as an owner, or a significant creditor or debtor could reasonably be expected to exert an influence on the Responsible Person's judgment regarding general IHT matters and/or impair his or her ability to act in IHT's best interests. Except as provided in the By-laws, this policy is not designed to eliminate relationships and activities that may create a duality of interest, but to require the disclosure of any conflicts of interest and the recusal of any interested party in a decision relating thereto.

In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall control. All capitalized terms are defined in Part 2 of this policy.

### **I. Conflict of Interest Defined.**

For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

#### **A. Outside Interests.**

- (i) A Contract or Transaction between the IHT and a Responsible Person or Family Member.
- (ii) A Contract or Transaction between the IHT and an entity in which a Responsible Person or Family Member has a material Organizational Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

## **B. Outside Activities.**

- (i) A Responsible Person engages in any outside employment or other activity that will materially encroach on such person's obligations to IHT; compete with IHT's activities; involve any use of IHT's assets or facilities; or imply IHT's sponsorship or support of the outside employment or activity.
- (ii) A Responsible Person's having a material Organizational Financial Interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, an entity or individual that competes with the IHT in the provision of services or in any other Contract or Transaction with a third party.
- (iii) The interests or potential interests of a Responsible Person or Family Member, or any individual, group, or organization to which the Responsible Person or Family Member has allegiance, may be seen as conflicting with the interests of the IHT, or may impair such Responsible Person's independence, judgment or loyalty to the IHT.

## **C. Gifts, Gratuities and Entertainment.**

A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:

- (i) Does or is seeking to do business with, or is a competitor of the IHT;
- (ii) Has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from the IHT: or
- (iii) Is a charitable organization;

Under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of the IHT.

## **II. Definitions**

### **A. Conflict of Interest**

A Conflict of Interest is any circumstance described in Part 1 of this Policy.

### **B. Responsible Person**

A Responsible Person is any person serving as an officer, employee, or member of the board of directors of the IHT.

### **C. Family Member**

A Family Member is a spouse, domestic partner, parent, child, sibling or spouse or other household member of a parent, child, or sibling, of a Responsible Person.

#### **D. Organizational Financial Interest**

A material Organizational Financial Interest in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.

(The board may wish to establish an amount that it would consider to be a "material Organizational Financial Interest.")

#### **E. Contract or Transaction**

A Contract or Transaction is any agreement or relationship involving the sale or purchase of real property, goods, services, or rights of any kind, the development of a property, the leasing of property, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable donation by or to the IHT. The making of a gift to the IHT is not a Contract or Transaction unless there is some benefit inuring to a Responsible Person.

### **III. Procedures.**

- A.** Before board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is, or plans to be, in attendance at the meeting shall disclose all facts relevant to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting
- B.** A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts relevant to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- C.** A person who has a Conflict of Interest shall not be present for the board's or committee's discussion of the matter except to disclose relevant facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting
- D.** A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting
- E.** Responsible Persons who are not members of the board of directors of the IHT, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of board or committee action, shall disclose to the President of the Board any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is

known to the Responsible Person. The Responsible Person shall refrain from any action that may affect the IHT participation in such Contract or Transaction

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the President of the Board, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

If the President of the Board is the Responsible Person, then he or she shall make such disclosure to the Vice President of the Board or the Executive Committee.

#### **IV. Confidentiality.**

Disclosures and deliberations under this Policy are subject to the IHT's Confidentiality Policy and Agreement.

#### **V. Review of Policy.**

- A.** Each new Responsible Person shall be required to review a copy of this Policy prior to accepting nomination or employment and to acknowledge in writing that he or she has done so.
- B.** Each Responsible Person shall annually or as necessary complete a disclosure form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to the IHT. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the President of the Board, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- C.** This policy shall be reviewed annually by each employee and board members. In addition, trainings and/or orientations shall be conducted annually. Any changes to the policy shall be communicated immediately to all Responsible Persons.

**No Conflict**

\_\_\_\_\_ (date)

Board of Directors  
Island Housing Trust Corporation

Re: Disclosure Under IHT Conflict of Interest Policy

Dear Sirs:

The Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest requires me to make disclosure of relevant facts or circumstances in order to dispel any appearance of potential conflict of interest occasioned by such facts and circumstances, that I may be improperly or unduly influenced in the performance of my official duties, or that I would be likely to act or fail to act as a result of kinship, rank, position or the undue influence of any party or person with regard to the above circumstances.

Toward that end, I do not currently hold any public or private positions which might cause a reasonable person, having knowledge of the relevant circumstances, to conclude that any person can improperly influence or unduly enjoy any favor in the performance of my official duties, or that I am likely to act or fail to act as a result of kinship, rank, position or undue influence of any party or person.

I am making this disclosure pursuant to the requirements of the Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest. I do not believe that any of the disclosed facts or circumstances present the possibility of an appearance of impropriety. Should you have any questions or comments with respect to this disclosure, please do not hesitate to have one of your staff contact me.

Thank you.

\_\_\_\_\_  
name

\_\_\_\_\_  
signature

**Disclosure of potential conflict**

\_\_\_\_\_ (date)

Board of Directors  
Island Housing Trust Corporation

Re: Disclosure Under IHT Conflict of Interest Policy

Dear Sirs:

I write this letter as a \_\_\_\_\_ (position) of the  
\_\_\_\_\_ (name of town board, business or organization). The  
Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest  
requires me to make disclosure of relevant facts or circumstances in order to dispel any  
appearance of potential conflict of interest occasioned by such facts and circumstances,  
that I may be improperly or unduly influenced in the performance of my official duties,  
or that I would be likely to act or fail to act as a result of kinship, rank, position or the  
undue influence of any party or person with regard to the above circumstances.

Toward that end, attached to this letter is a description of such facts and  
circumstances which may in some way relate to my position as  
\_\_\_\_\_ (position) of the \_\_\_\_\_ (name town  
board, business or organization), and which might cause a reasonable person, having  
knowledge of the relevant circumstances, to conclude that any person can improperly  
influence or unduly enjoy any favor in the performance of my official duties, or that I am  
likely to act or fail to act as a result of kinship, rank, position or undue influence of any  
party or person.

I am making this disclosure pursuant to the requirements of the Island Housing  
Trust's Policy on Conflict of Interest and Disclosure of Certain Interest. I do not believe  
that any of the disclosed facts or circumstances present the possibility of an appearance of  
impropriety. Should you have any questions or comments with respect to this disclosure,  
please do not hesitate to have one of your staff contact me.

Thank you.

\_\_\_\_\_  
name

\_\_\_\_\_  
s

**Special state, county, municipal board/committee member or employee form—state ethics statute**

\_\_\_\_\_ (date)

Board of Directors  
Island Housing Trust Corporation

Re: Disclosure Under State Ethics Statue and IHT Conflict of Interest Policy

Dear Sirs:

I write this letter (check and complete one or both as appropriate)

( ) as a member of the \_\_\_\_\_ (name of state, county, town board or committee);

( ) as a state, county or municipal employee holding the following position:  
\_\_\_\_\_.

Because of my position(s), the State Ethics Statute at M.G.L. C. 268A and the Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest requires me to make disclosure of relevant facts or circumstances in order to dispel any appearance of potential conflict of interest occasioned by such facts and circumstances, that I may be improperly or unduly influenced in the performance of my official duties, or that I would be likely to act or fail to act as a result of kinship, rank, position or the undue influence of any party or person with regard to the above circumstances.

Toward that end, attached to this letter is a description of such facts and circumstances which may in some way relate to my role(s) described above, and which might cause a reasonable person, having knowledge of the relevant circumstances, to conclude that any person can improperly influence or unduly enjoy any favor in the performance of my official duties, or that I am likely to act or fail to act as a result of kinship, rank, position or undue influence of any party or person.

I am making this disclosure pursuant to the requirements of Section 23(b) of the State Ethics Statute and Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest. I do not believe that any of the disclosed facts or circumstances present the possibility of an appearance of impropriety. Should you have any questions or comments with respect to this disclosure, please do not hesitate to have one of your staff contact me.

Thank you.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Special business or organization form—state ethics statute**

\_\_\_\_\_ (date)

Board of Directors  
Island Housing Trust Corporation

Re: Disclosure Under State Ethics Statue and IHT Conflict of Interest Policy

Dear Sirs:

I write this letter as a \_\_\_\_\_ (position) of the \_\_\_\_\_ (name of business or organization). The State Ethics Statute at M.G.L. C. 268A and the Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest requires me to make disclosure of relevant facts or circumstances in order to dispel any appearance of potential conflict of interest occasioned by such facts and circumstances, that I may be improperly or unduly influenced in the performance of my official duties, or that I would be likely to act or fail to act as a result of kinship, rank, position or the undue influence of any party or person with regard to the above circumstances.

Toward that end, attached to this letter is a description of such facts and circumstances which may in some way relate to my position as \_\_\_\_\_ (position) of the \_\_\_\_\_ (name business or organization), and which might cause a reasonable person, having knowledge of the relevant circumstances, to conclude that any person can improperly influence or unduly enjoy any favor in the performance of my official duties, or that I am likely to act or fail to act as a result of kinship, rank, position or undue influence of any party or person.

I am making this disclosure pursuant to the requirements of Section 23(b) of the State Ethics Statute and the Island Housing Trust's Policy on Conflict of Interest and Disclosure of Certain Interest. I do not believe that any of the disclosed facts or circumstances present the possibility of an appearance of impropriety. Should you have any questions or comments with respect to this disclosure, please do not hesitate to have one of your staff contact me.

Thank you.

\_\_\_\_\_  
name

\_\_\_\_\_  
signature