

BEACON HILL COMMUNITY ASSOCIATION, INC.

RESOLUTION NO. P23-01

Establishing Conflict of Interest Policy for Board and Committee Members and Volunteers

WHEREAS, Article 7 of the Articles of Incorporation of Beacon Hill Community Association, Inc. ("Articles") provides that the affairs of Beacon Hill Community Association, Inc. ("Association") shall be managed by a Board of Directors ("Board");

WHEREAS, Section 7.1 of the Bylaws of Beacon Hill Community Association, Inc. ("Bylaws") provides that the Board may exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the membership by other provisions of the Bylaws, the Articles, or the Declaration of Covenants, Conditions, Easements, and Restrictions for Beacon Hill Community Association, Inc. ("Declaration");

WHEREAS, Article 10 of the Bylaws provides that the Board may appoint committees as enumerated in the Bylaws;

WHEREAS, the Board has determined that it is in the best interests of the Association to develop and adopt a policy for addressing conflicts of interest involving Board and Committee Members and Association volunteers.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the Conflict of Interest Policy, applicable to all Board and committee members and Association volunteers, attached to this Resolution as Exhibit 1.

BEACON HILL COMMUNITY ASSOCIATION, INC.

RESOLUTION ACTION RECORD

POLICY RESOLUTION NO. 23-01

Duly adopted at a meeting of the Board of Directors held on April 10, 2023

Motion by: Muscarella Seconded by: Thompson

VOTE:

YES

NO

ABSTAIN

ABSENT

[Signature]
Director

✓

[Signature]
Director

✓

[Signature]
Director

✓

[Signature]
Director

x

[Signature]
Director

✓

ATTEST: [Signature] 4/10/2023
Secretary Date

Resolution effective: April 10, 2023.

#218455

BEACON HILL COMMUNITY ASSOCIATION, INC.

Conflict of Interest Policy

It is in the best interest of Beacon Hill Community Association ("Association") to address conflicts of interest that may arise during service on the Association Board of Directors ("Board"), an Association Committee ("Committee Members"), or as an Association Volunteer ("Volunteers").

This Conflict of Interest Policy ("Policy") is intended to provide guidance to members of the Board, Committee Members and Volunteers who are in a position to make decisions affecting Association operation, administration, and governance to identify circumstances that present possible conflicts of interest and to provide the Association with a procedure for review of potential conflicts.

Nothing in this policy shall prevent the Association from contracting with or engaging the services of a person or a legally recognized organization ("Entity") with a conflict of interest if:

- The fact of the member's interest is disclosed to the Board by the Board or Committed Member or Volunteer with the potential conflict;
- Such interest is noted in the minutes;
- The Board, Committee Member, or Volunteer with potential conflict does not participate in discussions about or vote on the matter giving rise to the potential conflict of interest;
- The Board must authorize, approve or ratify any proposed contract or transaction in good faith by vote sufficient for the purpose; and
- The contract or transaction must be commercially reasonable to the Association at the time it is authorized, ratified, approved, or executed.

1. Definitions.

- a. A "Conflict of Interest" is any circumstance described in Section 2 of this Policy.
- b. An "Interested Person" is any person serving as a Board member, Committee Member or Volunteer who has a financial interest in a Contract or Transaction as defined in paragraph 1.e.
- c. A "Family Member" is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister of an Interested Person.
- d. A "Material Financial Interest" is a financial interest of any kind, which is substantial enough that the interest would, or reasonably could, affect an Interested

Person's or Family Member's judgment with respect to transactions to which the entity is a party.

e. A "Contract or Transaction" is any agreement or relationship involving the sale, purchase or provision of property, real or personal, goods, services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, the execution of a contract, or the exercise of control over any person of any organization to or from the Association. The making of a gift to the Association is not a Contract or Transaction.

f. A "Gift, Gratuity or Entertainment" from or to individuals or entities occurs when the person receiving or providing the gift or gratuity or entertainment or favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Interested Person in the performance of duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the Association.

g. "Other Situations." Any circumstance that may create the appearance of a conflict or present a duality of interests with an Interested Person who has influence over Association activities or finances. All such circumstances should be disclosed to the Board to decide the action the organization or individuals should take so that Association interests are not compromised by the personal interests of an Interested Person.

2. **An Interested Person has or may have a Conflict of Interest if:**

a. The Interested Person or a Family Member is a party to a contract or involved in negotiating a contract or any transaction with the Association for the purchase or sale of property, real or personal, goods, services or improvements to Association property.

b. The Interested Person has a financial interest in a transaction between the Association and an entity in which the Interested Party or a Family Member is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian, shareholder, or other legal representative.

c. The Interested Party or a Family Member is engaged in some capacity or has a material financial interest in a business or enterprise that competes with the Association.

3. **Disclosure of and Action Taken on Matters Involving Conflicts or Potential Conflicts.**

a. Prior to Board or Committee action on a Contract or Transaction involving a Conflict of Interest, an Interested Person in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. A Board member aware that an Interested Person is present, shall disclose relevant facts to the Board, orally or in writing.

b. A Board, Committee Member, or Volunteer who will not be present at a meeting at which the Board, Committee Member, or Volunteer 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 in writing to the President and Board members prior to the meeting all facts material to the Conflict of Interest. The President shall report the disclosure at the meeting and the disclosure shall be reflected in the meeting minutes.

c. An Interested Person shall not participate in or be present for Board or committee discussion of the matter except to disclose material facts and to respond to questions. An Interested Person shall not attempt to exert his or her personal influence over the matter.

d. An Interested Person with respect to a Contract or Transaction to be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

e. No Interested Person may vote on a Contract or Transaction in which they have an interest. An Interested Person shall not be present in the room when the vote is taken, unless the vote is by secret ballot. The Interested Person's recusal shall be reflected in the meeting minutes.

f. Interested Persons who are not Board members 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 the Conflict of Interest to the President or the President's designee. Such disclosure shall be made orally and in writing as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect the Association's participation in such Contract or Transaction.

g. An individual with a potential Conflict of Interest shall disclose the circumstances to the President or the President's designee, who shall determine whether a Conflict of Interest exists or whether full Board discussion is warranted to make such determination.

4. **Confidentiality.** Board, Committee Members and Volunteers shall exercise care not to disclose confidential information acquired in connection with disclosures of Conflicts of Interest or potential conflicts, which might be adverse to the Association. Board and Committee Members and Volunteers shall not disclose or use any information relating to Association business to the detriment of the Association or for their personal profit or advantage or the personal profit or advantage of a Family Member.

5. **Administration of Policy.** Board, Committee Members and Volunteers shall acknowledge in writing that the Board member, Committee Member, or Volunteer has reviewed and understands the Policy. A copy of the written acknowledgement shall be delivered electronically to the President and maintained in the Association office.

a. Board and Committee Members and Volunteers shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which he or she is involved that could constitute a Conflict of Interest, attached to the Policy as Exhibit A.

b. The Policy shall be reviewed annually by the Board. Any changes to the policy shall be communicated to all Association Board and committee members and volunteers.

6. **Acknowledgement of Policy.** The undersigned hereby acknowledges that he or she has read and understands the Policy, has had an opportunity to ask questions about the Policy, and agrees to comply with the Policy.

Signature: _____

Print Name: _____

Position: _____

Date: _____

#218394

Beacon Hill Community Association, Inc.**Conflict of Interest Disclosure Form**Full Name: _____ Date: _____
Last First M.I.

Position: _____

Phone: _____ Email: _____

Pursuant to Article 3, Section 5(a) of the Beacon Hill Community Association, Inc. ("Association") Conflict of Interest Policy, members of the Association Board of Directors, Association committee members, and Association volunteers shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Board or Committee Member or Volunteer is involved that could constitute a Conflict of Interest.

Select one response for each question below:

1. Did you, in a private capacity, provide consulting, advisory or outreach services to an entity or persons that might, in your good faith judgment, present or appear to present a conflict of commitment with your Association obligations (especially within the past 12 months)?
YES ☐ NO ☐
2. Did any of your immediate family members have an employment, consulting, or other financial relationship with (especially within the past 12 months):
a) A company that does business with the Association? YES ☐ NO ☐
b) An outside organization contributing gift funds to the Association that are under your control or of direct benefit to your work activities?

If you have answered "yes" to any question, attach a statement identifying the entity or entities involved and a description of the relevant activities. Describe any other relationships, commitments, or activities that you or any members of your immediate family have that might present or reasonably appear to present a conflict of interest with the Association.

NOTE: In accordance with Resolution No. p23-01, this form must be updated and submitted to BHCA/PMP within 60 days of any change in status of financial interests.

In signing and submitting this form, I certify that the above information is true to the best of my knowledge, and that I am in compliance, to the best of my knowledge, all Association policies related to conflicts of interest.

Signature: _____ Date: _____

