

Policy Guidelines for Districts Conflict of Interest

Purpose: In order to protect its interests as a tax-exempt organization, the Ohio District of Kiwanis International, when contemplating a transaction or arrangement that might benefit the private financial interest of an interested person, shall exercise due diligence to assure no conflict of interest exists and/or it shall take appropriate disciplinary and corrective action if, upon investigation, a conflict of interest is determined to exist. In addition, the employment of relatives can cause various problems including but not limited to charges of favoritism, conflicts of interest, family discord and scheduling conflicts that may work to the disadvantage of both the agency and its employees. It is the goal of the District to avoid creating or maintaining circumstances in which the appearance or possibility of favoritism, conflicts or management disruptions exist. The agency may employ relatives of current employees under the following circumstances:

- Relatives may not work under the supervision of the same manager;
- They may not create a supervisor/subordinate relationship with a relative;
- They may not supervise or evaluate a relative;
- The relationship will not create an adverse impact on work productivity or performance;
- The relationship may not create an actual or perceived conflict-of-interest;
- They may not audit or review in any manner the relative's work.
- They may not be employed if a relative serves on the District's Board or any Committee or Council which has authority to review or order personnel actions or wage and salary adjustments which could affect his/her job.

No personal employee relationship covered by this policy will be allowed to be maintained, regardless of the positions involved. This policy must be considered when hiring, promoting or transferring any employee.

Definition of 'interested person': Any District officer or member of a committee with powers delegated to it by the district board who has a direct or indirect financial interest.

Definition of 'financial interest': Any of the following circumstances, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the District has a transaction or arrangement;
2. A compensation arrangement with the District or with any entity or individual with which the District has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the District is negotiating a transaction or arrangement.
4. Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial.
5. A financial interest is not necessarily a conflict of interest, unless determined to be so by the District Board.

Definition of "relative": A "relative" shall include the following relationships which are established by blood, marriage or legal action. Examples include the employee's: spouse, mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, stepparent, stepchild, aunt, uncle, nephew, niece, grandparent, grandson or cousin. The term also includes domestic partners (a person with whom the employee's life is interdependent and who shares a common residence) and, a

daughter or son of an employee's domestic partner.

Duty to Disclose: An interested person must disclose the existence of any actual or possible conflict of interest and be given the opportunity to disclose all material facts to the District Board. If the Board has reasonable cause to believe an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the person and give him/her the opportunity to explain. If failure is determined, the Board shall take appropriate disciplinary and corrective action.

Determination: An interested person may make a presentation to the District Board about a possible conflict of interest. The Board may appoint an investigation committee composed of one or more disinterested persons to investigate the matter and report its findings and recommendation to the Board. The Board shall then decide, by majority vote of the disinterested persons, whether a conflict of interest exists, and, if so, whether to continue the arrangement or practice or to offer alternatives that would prevent the conflict. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the District Board shall determine whether the transaction or arrangement is in the District's best interest, whether it is fair and reasonable, and whether to enter into the transaction or arrangement.

Compensation Matters: A voting member of the District Board or any committee with power delegated by the Board who receives compensation, directly or indirectly, from the District for services is precluded from voting on matters pertaining to that member's compensation.

Records of Proceedings: The record of District Board meeting and investigation committee meeting (if any) should contain thorough and complete information on the proceedings, including all relevant facts, the content of the discussion, actions considered, and votes taken.

Annual Statements: Each interested person shall, before assuming district office or committee membership, sign a statement that affirms he/she understands and complies with the District policy on conflict of interest.

Adopted by the Ohio District Board on 8.11.2023