



**New Hampshire Humane Society
Board of Directors
CONFLICT OF INTEREST POLICY**

PURPOSE AND GENERAL STATEMENT OF POLICY

Purpose: The purpose of this policy is to strengthen and maintain the public support, trust and confidence in the New Hampshire Humane Society (NHHS) and its Board of Directors, so as to enable the New Hampshire Humane Society to better achieve its mission.

General Statement of Policy: Board Members, staff and their families and businesses shall not receive any direct or indirect payments of money or financial benefits from New Hampshire Humane Society which would in any way lessen public trust, confidence and support.

SPECIFIC PROVISIONS

Directors Shall Serve the Charitable Mission of the New Hampshire Humane Society

In recognition that it is a charitable corporation held in trust for the public by its Board of Directors, it is the policy of NHHS that its Directors, as the guardians of its charitable mission for the public, shall serve only to advance its charitable mission. In accordance with State Law under RSA 7:19-a and 292:6-a, Directors shall resign immediately if they are serving for any purpose other than to serve this charitable mission.

Definitions

Payment: As used throughout this policy, a Director, staff person or volunteer is considered to have received a payment from NHHS if there is a direct or indirect payment of money or other financial benefit made from NHHS or any of its affiliates, to the Director, staff person or volunteer, to their immediate family, or to any entity of which they or their immediate family are a proprietor, partner, employee or officer. Payments in the last category include those made for goods and services provided by the Director's, staff person's or volunteer's businesses or employers.

Immediate Family: The immediate family of a Director, staff person or volunteer are all persons one step removed from them. For example, for a married woman serving as Director, her immediate family would be her husband, son or daughter, father or mother, brother or sister, son-in-law or daughter-in-law and brother-in-law or sister-in-law.

Directors Shall Avoid Receiving Payments

In recognition that public confidence and trust are vital to achieving its mission, Directors and their immediate families shall take the necessary precautions to avoid receiving payments of money or other financial benefits from NHHS because such payment, however well-intentioned, threaten this public trust and confidence. These payments include, but are not limited to, those made to Directors and their immediate families by NHHS and any of its affiliates, for goods and services they, their businesses, or their employers provide.

Payments to Directors Are Prohibited Except Under Limited Circumstances

In order to safeguard the integrity and public reputation of NHHS and its Board of Directors, payments of money and other financial benefits to its Directors and their immediate families are prohibited, except under the limited circumstances specified in this policy and which are permitted under NH RSA 7:19-a and 292:6-a. Under all circumstances, loans of money or property to any Directors or their immediate family and the purchase or lease of real estate or any interest in real estate to or from any Directors to their immediate family are prohibited.

Disclosure by Directors of Payments Made to Them from the New Hampshire Humane Society

Immediate Disclosure of Payments Made

Directors shall immediately notify the Secretary of the Board, or other person the Board may designate for this purpose (hereafter called the Secretary), of all payments of money or other financial benefits exceeding a total of \$500 for the fiscal year made to them and their immediate families from NHHS. Such notification shall be made in writing and shall list the purpose, dollar amounts and value, and recipients of the payments. Once total payments exceed \$500 for the fiscal year, separate notification shall be made for each additional payment.

Disclosure of Probable or Possible Future Payments

Directors shall notify the Secretary of any future payments of any size that they or their immediate families anticipate they might receive from NHHS as soon as they become aware of this possibility. To give the Board enough time to act, anticipated future payments must be disclosed in writing at least 45 days before they are expected to be made or they will automatically be prohibited or, if made, voided. Such future payments will be permitted only with prior written approval of the Board for each payment in accordance with this policy and State Law.

Allowable Payments to Directors

The following payments and benefits to Directors from NHHS are permitted under the following circumstances and conditions:

Expense Reimbursement

Payments reimbursing the Directors for their reasonable and Board-approved expenses incurred in carrying out their official duties are permitted. Directors do not need to disclose these payments if the Board has approved the type of reimbursements made and have established reasonable rates of reimbursement.

Program Benefits

Program benefits received by a Director or their immediate family from NHHS are permitted provided they are a part of any program that serves the general public and that there are written eligibility criteria for the benefits which the beneficiary meets. The receipt of these benefits do not need to be disclosed or approved by the Board.

Certain Pre-Existing and Ongoing Transactions

Payment for goods and services to a Director or their immediate family from NHHS is permitted if and only if it is an ongoing transaction which predates the start of a Director's term by at least two (2) years and which continues without any substantial increase in scope or level. The ongoing transaction itself must be disclosed by the Director in writing and approved by a majority vote of the Board at the time the Director joins the Board, but does not need to be approved again as long as the transaction is not substantially increased or changed.

Required Disclosure and Approval of Increases in Permitted Ongoing Transactions

Substantive increases in the level or scope of permitted ongoing transactions are prohibited, and a Director must report in writing to the Secretary the specifics of any proposed increases at least sixty (60) days prior to the date of the increase or such change shall automatically be prohibited or, if made, voided. Because of the potential for damage to the public trust from such increases, such increases must be preapproved by the Board. This approval may be granted by the Board only after a written request demonstrating compelling reasons for the approval in the best interests of NHHS as compared to other available options. Further, in granting approval, the Board must follow the procedures in NH RSA 7:19-a and 292:6-a of State Law for payments of \$5,000 or more to Directors regardless of the value of the payments making up the ongoing transaction.

Payments to Directors Permitted in Exceptional Cases if Preapproved by Board Vote

Payments to Directors are permitted only in exceptional cases where all the following conditions are met to demonstrate payments are in the best interest of NHHS:

- The extra benefits to NHHS from making payments to its Directors and their immediate family for a good, service, or other consideration is large, necessary and significant for achieving its charitable mission when compared to making such payments to an outside party.
- The extra benefit(s) is clearly documented in writing.

- Alternatives to making payments to the Director or his/her immediate family have been thoroughly investigated, analyzed and documented in a written report to the Board and it has been determined that the benefit cannot be reasonably obtained elsewhere.
- The payment meets all the conditions for exceptions specified elsewhere in this policy.
- The payment to the Board Member conforms to NH RSA 7:19-a and 292:6-a including proper preapproval by vote of the Board and disclosure to the public.

Penalties for Noncompliance by Directors

Dismissal from the Board

To assure the public that Directors serve the charitable mission of NHHS, notwithstanding any other provisions of the bylaws, a Director shall be subject to immediate dismissal from the Board, upon written notification and ten (10) days notice by the presiding office of the Board, if it is determined and documented that the Director:

1. Failed to disclose payments to him or herself or his/her immediate family from NHHS as required by this policy or NH or federal law;
2. Received payments from NHHS prohibited by this policy or NH or federal law; or
3. Failed to follow the procedures in this policy or NH law under which payments made may be permitted.

Payments Returned

A Director's documented failure to disclose or have properly approved payments to her or him or immediate family from NHHS may, by action of the Board or Attorney General, result in such transactions being voided and the payments returned.

Conflict of Interest Report

Name: _____

I acknowledge that I, a Board Member of New Hampshire Humane Society (NHHS), have reviewed the "Conflict of Interest Policy," before signing this report. I have read and understand the NHHS Conflict of Interest Policy and agree to follow the provisions outlined in the policy.

I hereby disclose information on all associations (all business and charitable organizations), which may involve a possible conflict of interest and will furnish further details upon request. (If none, so state. Do not leave blank.) Feel free to attach additional sheets if you need.

I also understand that I am required to disclose any other situation from which a possible conflict of interest might arise in the future.

Board Member or Director (print)

Board Member or Director Signature

Date