

1.7 Conflict of Interest Policy

The purpose of the conflict of interest policy is to protect the Maryland Food Bank's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a staff member, officer or director, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions

1. Interested Person

Any director, officer, staff member, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or:

- a. An ownership or investment interest in any entity with which the Maryland Food Bank has a transaction or arrangement,
- b. A compensation arrangement with the Maryland Food Bank or with any entity or individual with which the Maryland Food Bank has a transaction or arrangement,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Maryland Food Bank is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

Full disclosure, by notice in writing, shall be made by the interested parties to the Board's Audit and Finance Committee in all conflicts of interest, including but not limited to the following:

- a. A Board member is related to another board member or a staff member by blood, marriage or domestic partnership.
- b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
- c. A Board member or their organization stands to benefit from a transaction or staff member of such organization receives payment from the Maryland Food Bank for any subcontract, goods, or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and Board policy.
- d. A Board member's organization receives grant funding from the Maryland Food Bank.
- e. A Board member or staff member is a contributor to the Maryland Food Bank and the purpose of such contribution is to receive or hope to receive a future direct or indirect financial or other benefit.
- f. A volunteer working on behalf of the Maryland Food Bank who meets any of the situations or criteria listed above.

In the event that an undisclosed conflict of interest is discovered, and depending on the severity of such, the offending staff member may face disciplinary action including possible dismissal, and the offending Board member may be removed from Board service. Likewise, an employee who has not disclosed may be removed from the position which has conflict of interest, including termination of employment if no other suitable position exists.

Each employee will be asked to sign MFB's *Family and Business Relationship Disclosure Statement*.

Effective Date: 12-1-14