

# **Conflict of Interest Policy**

## **General Statement of Policy**

1. Members of the Board of Directors, Associate Directors, committee members, and volunteers of the Homer Laughlin China Collectors Association shall conduct their affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as members of the HLCCA, and shall adhere to and actively strive for maintaining highest ethical standards of conduct in all matters involving the Association.

2. Any potential conflict of interest on the part of any Director (including any member of the Director's immediate family or spousal equivalent, or any person acting on behalf of the Director or a member of his/her immediate family or spousal equivalent) shall be disclosed to the Board of Directors or an appropriate committee of the Board. Unless the Director is informed by the Board or its committee that the conflict of interest is minor, the Trustee shall (i) recuse him/herself from discussions and voting on the matter, (ii) refrain from using any personal influence on the matter, and (iii) not be counted in determining a quorum for the meeting. If the Director believes, or is informed by the Board or its committee that the conflict of interest is serious, the Director shall voluntarily resign from the Board and/or committee, and in the absence of such voluntary resignation, the Director shall be involuntarily removed from the Board and/or committee. All disclosures of potential or actual conflicts of interest and recusals, resignations, etc., shall be made a part of the minutes of the meeting in which such disclosure is made.

3. The Board, through its Committee on Directors or other appropriate committee, shall assist new Directors in becoming familiar with this policy and will create, distribute for signatures by all Directors at least annually, and collect and maintain for at least five years, a conflict of interest disclosure form.

## **Elaboration on Policy Statement**

Under Virginia law, member of non-profit organization boards, committees, or other governing bodies owe the organization a duty of care and a duty of loyalty. Even as unpaid volunteers, the violation of such duties accompanied by damages can subject the volunteer to liability to the organization, or in some cases can subject the organization to liability to others. Virginia's comprehensive laws limiting liability of volunteers to non-profit organizations or to others for acts taken in their official capacities do not apply to willful misconduct, which might include a breach of the duties of care and loyalty.

Volunteers must always act reasonably and in the best interests of the association; they must avoid negligence and fraud in acting on behalf of the organization; and they must avoid conflicts of interest between their duties to the organization and their self-interest or duties to other organizations.

A conflict of interest exists when an individual participates in the deliberation and resolution of an issue important to the association while, at the same time, the individual has other personal, financial, professional, business, or volunteer responsibilities outside the association that could predispose or bias the individual to a particular view or goal.

Liability is avoided in different ways based on the level or seriousness of the potential or actual conflict. A minor conflict requires only full disclosure to the association; a more serious conflict requires disclosure and abstention from discussion or voting on the issue; and a serious conflict requires resignation from the association position. After disclosure, the association and not the individual must determine the seriousness of the potential conflict, and to minimize the likelihood of legal liability, it is prudent to err on the conservative side and avoid even the appearance of conflicts of interest.

### **Examples of Conflicts:**

**Serious Conflict:** An officer of the HLCCA is also a volunteer for or employed by another organization which competes directly with the HLCCA in any respect from providing informational content to selling of items which compete with the HLCCA fund-raising activities. The officer has responsibility to two organizations with competing programs. This is the kind of extreme conflict that demands that the individual not serve on the Board of the HLCCA.

**Less Serious Conflict:** An officer or volunteer has a business selling items which are related to the educational goals of the HLCCA, but do not compete directly with any activity being performed by the HLCCA. Here it would be appropriate for the volunteer to not participate in any activity which might affect his/her business. For example, if the volunteer has a business selling Lilac Fiesta, he/she should not be involved in any price guides or informational guides which might have an impact on the selling price of Lilac Fiesta.

**Minor Conflict:** An officer or volunteer also works with another pottery collector organization; however that organization does not compete in any way with the HLCCA.

### **Conflicts of Interest and Ethical Behavior Distinguished**

While generally, ethical behavior will always satisfy conflicts of interest policy, it is possible that unethical behavior would not fall within the definition of a conflict of interest. The HLCCA expects its present and former officers, committee members, and volunteers to adhere to and actively strive for maintaining the highest ethical standards of conduct, avoiding even the appearance of impropriety.

An example of conduct that would fall short of this expectation would include a present or former officer making disparaging remarks to other about the HLCCA or its key volunteers, policies, or personalities on the Board..

Date originally adopted: 10 March 2001

Date of Last Revision: 10 March 2001

Date of Last Review: 10 March 2001

## **Homer Laughlin China Collectors Association Disclosure Regarding Conflicts of Interest**

As an officer, committee member, or volunteer of the Homer Laughlin China Collectors Association (HLCCA), I recognize that I owe duties of care and loyalty to the HLCCA. One aspect of fulfilling those duties is to avoid conflicts of interest in which my allegiance might be split between my position with or responsibilities to the HLCCA and some other personal, financial, professional, business, or volunteer position or responsibility.

To help avoid conflicts, I am disclosing on this form other situations or areas in which it might appear that I have conflicting duties. I invite any further review by the HLCCA of any aspects of these situations or areas that might be considered appropriate. I have reviewed carefully the Conflicts of Interest Policy and I agree to abide by it in letter and spirit, including disclosing potential conflicts whenever they might arise and if deemed appropriate, recusing myself from discussions and voting on matters involving such potential conflicts.

1. The following are personal, financial, professional, business, or volunteer positions or responsibilities that might give rise to conflicts (if none, so state):

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2. The following are situations in which I am providing, or I am employed by or consult with a business entity which is providing good or services to the HLCCA (if none, so state):

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Signature

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Date

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Print Name

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Position with HLCCA