

International Institute of Minnesota Policy on Conflicts of Interest

Approved by the Board of Directors on: May 12, 2008

Officers, directors, board members and employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the International Institute of Minnesota (IIM) wishes the organization to operate. The purpose is to provide general direction for officers, directors, board members and employees.

Transactions with outside firms must be conducted within a framework established by the Board of Directors and implemented by the Executive Director of IIM. Business dealings with outside firms should not result in unusual gains. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the outside firm, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific Board approval.

A potential conflict of interest occurs when an officer, director, board member or an employee is in a position to influence a decision that may result in personal gain for that officer, director, board member, employee or for a relative as a result of IIM business dealings. (For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the officer, director, board member or employee is similar to that of persons who are related by blood or marriage.)

No “presumption of guilt” is created by the mere existence of a relationship with outside firms. However, if officers, directors, board members or employees have any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose the relationship to an officer of IIM, as soon as possible, the existence of any actual or potential conflict of interest, so safeguards can be established to protect all parties.

Personal gain may result not only in cases where an officer, director, board member, employee or relative has a significant ownership in a firm with which IIM does business, but also when an officer, director, board member, employee or relative receives any unusual gain as a result of any transaction or business dealings involving International Institute of Minnesota.

This Conflict of Interest policy applies to all IIM board and committee members, volunteers as designated by the Executive Director, and employees. The Institute expects the primary interest to be the people we serve. A conflict of interest occurs when the interest of the employee or an outside party actually or potentially affects the Institute in a negative way. Employees and board/committee members are required to disclose relationships and business affiliations that reasonably could give rise to a conflict of interest involving the Institute.

Conflicts of Interest

- **OUTSIDE BUSINESS INTERESTS:** Employees and board/committee members may have outside interests and outside employment so long as these do not interfere with job performance. Such relationships and affiliations may include, but are not limited to: other employment; association activities; and other nonprofit entities.
- **GIFTS AND GRATUITIES:** Employees and board/committee members are not to accept gifts or gratuities from an outside person or organization that may give rise to a conflict of interest as a result of the gift or affiliation, or as an inducement to provide services.
- **PERSONAL BELIEFS:** The IIM recognizes that employees and board/committee members may hold a wide range of personal beliefs, values and commitments. These beliefs, values and commitments are a

conflict of interest when they prevent employees and board/committee members from fulfilling their job responsibilities. Employees and board/committee members may not use the Institute facilities and time for furthering their personal beliefs. In addition, employees and board/committee members may not continue to attempt to convince others of their personal beliefs after they have been asked to stop.

Procedures

- Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is 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 director or committee member who plans not to attend a meeting at which he or she 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 to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of IIM has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- Employees and committee members who are not members of the Board of Directors of IIM, and have a Conflict of Interest with respect to a Contract or Transaction shall disclose it to the Chair or the Chair's designee. Such disclosure shall be made as soon as the Conflict of Interest is known to the employee or committee member. The employee or committee member shall refrain from any action that may affect IIM's participation in such Contract or Transaction.

Review of policy and disclosure of potential Conflicts of Interest

- Each employee and board/committee member shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- Each employee and board/committee member shall complete a disclosure form identifying any relationships, positions or circumstances in which he/she is involved and believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to IIM. (Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.)

**International Institute of Minnesota
Conflicts of Interest Information Form**

Name: _____ Date: _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in the International Institute of Minnesota Policy on Conflicts of Interest) arising.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by the International Institute of Minnesota Policy on Conflicts of Interest that is currently in effect.

Signature: _____ Date: _____