

Bridging The Gap Conflicts of Interest Policy

The purpose of this conflict of interest policy is to help directors, officers and employees of Bridging The Gap, Inc. identify situations that present potential conflicts of interest and to provide Bridging The Gap, Inc. with a procedure that, if observed, will help protect the organizations' federal tax-exempt status and will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Definitions

Organization refers to Bridging The Gap, Inc.

An Interested Person is any person with governing powers who has a direct or indirect financial interest, as defined below.

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

1. An ownership or investment interest in any entity with which the Organization has transaction or arrangement,
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. The Board of Directors or an appropriate committee will decide when a conflict of interest exists.

Procedures

In connection with any actual or potential 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.

After disclosure of the material facts and discussion with the Interested Person, the Interested Person shall leave the meeting. The remaining board or committee members will decide if a conflict of interest exists.

The conflict of interest may be addressed as follows:

1. The Interested Person may make a presentation to the governing board or committee regarding the transaction or arrangement involving a possible conflict of interest and then leave the meeting.
2. The chairperson of the governing board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee may determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement that does not produce a conflict of interest is not reasonably possible under the circumstances, the governing board or committee may determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If after hearing the member's response and making further investigation as warranted by the circumstances, the governing board or committee determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Documentation

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest existed and the governing board's or committee's decision as to whether an actual conflict of interest existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of said discussion, including any alternatives proposed and a record of any votes taken in connection with the proceedings.

Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to his/her compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to the member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement affirming that such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that the Organization is charitable and must engage primarily in activities which accomplish one or more of its tax-exempt purposes in order to maintain its federal tax exemption.

Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic review shall include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in compensation, impermissible private benefit or in an excess benefit transaction.