

## TEENS, Inc. Conflict of Interest Policy

It is in the best interest of TEENS, Inc. to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is designed to help directors, officers, employees and volunteers of TEENS, Inc. identify situations that present potential conflicts of interest, and to provide TEENS, Inc. with a procedure to appropriately manage conflicts with accountability and transparency and in accordance with all legal requirements.

**1. What is a conflict of interest?** A conflict of interest arises when a board member, volunteer or staff member has a personal interest that conflicts with the interests of TEENS, Inc. or arises in situations where a board/staff member has divided loyalties (also known as a “duality of interest”). The former can lead to situations that result in inappropriate financial gain to persons of authority at TEENS, Inc. which, in turn, can lead to financial penalties and violations of IRS regulations. Similarly, situations or transactions arising out of a conflict of interest can create the appearance of a lack of integrity in TEENS, Inc.’s decision-making process. Both results are damaging to TEENS, Inc. and are to be avoided.

One common case where a conflict or appearance of conflict may arise is when a person in a position of authority over the Organization might benefit financially from a transaction between the Organization and the board/staff member. Similarly, a conflict or appearance of conflict may arise when family members or others closely associated with the board/staff member or their businesses could benefit from a transaction with the Organization.

**2. Who might be affected by this policy?** Typically persons who are affected by a conflict of interest policy are the Organization’s board members, officers, and senior staff. In some cases a major donor could also be in a conflict situation. TEENS, Inc. takes a broad view of conflicts and board/staff are urged to think of how a situation/transaction would appear to outside parties when identifying conflicts or possible conflicts of interest.

**3. Mandatory disclosure of conflicts and potential conflicts.** Board and staff shall disclose conflicts and potential conflicts as they arise. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict. Staff shall disclose to the Executive Director and board members shall disclose to the Board President as soon as the person with the conflict becomes aware of the conflict/potential conflict or the appearance of a conflict exists.

**4. Procedures to manage conflicts.** For each conflict or potential conflict, the Board, the Executive Director, or the Board President, as appropriate, will determine whether the organization should: (a) take no action, or (b) disclose the situation more broadly and invite discussion/resolution by the full Board of what action to take. In most cases the broadest disclosure possible is advisable so that decision-makers can make informed decisions that are in the best interests of the organization.

- When the conflict involves a decision-maker, the person with the conflict (“interested party”): (i) must fully disclose the conflict to all other decision-makers; (ii) may not be

involved in the decision of what action to take (e.g., may not participate in a vote) but may serve as a resource to provide other decision-makers with necessary information.

- In some cases the person with the conflict may be asked to recuse him/herself from sensitive discussions so as not to unduly influence the discussion of the conflict.
- To the extent reasonable, decisions involving a conflict will be made only by disinterested persons.
- The fact that a conflict was managed and the outcome will be documented in the minutes of board meetings if the conflict was related to a board member, and reported by the Executive Director to the Board President if the conflict was related to a staff member.
- The Board President/Executive Director will monitor proposed or ongoing transactions of the organization (e.g., contracts with vendors and collaborations with third parties) for conflicts of interest and disclose them to the Board and staff, as appropriate, whether discovered before or after the transaction has occurred.

Adopted by the Board of Directors: 6.28.12

Secretary's Signature: Stephanie J. Anderson  
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