# Lewistown United Ministries In Neighborhood Action
(DBA LUMINA Center)

# Conflict of Interest Policy

## I. Purpose

LUMINA Center encourages the active involvement of its directors, officers, employees and volunteers in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, LUMINA Center adopts the following Conflict of Interest Policy.

## II. Policy

Directors, officers, employees and volunteers are expected to use good judgment, to adhere to high ethical standards and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a director or employee and those of LUMINA Center. A conflict of interest exists when the loyalties or actions of a director, officer, employee or volunteer are divided between the interests of LUMINA Center and the interest of the director, officer, employee or volunteer. Both the fact and the appearance of a conflict of interest should be avoided.

## III. Definitions

*Affiliated, affiliation* includes all direct and indirect financial interest between a director, officer, employee or volunteer and any person with whom LUMINA Center is considering entering into any transaction. It also includes and other interest that may influence the judgement of a director, officer, employee or volunteer. An objective test is applied to determine whether an affiliation exists between the director, officer, employee or volunteer and the other person: whether their involvement or relationship of the director, officer, employee or volunteer with the other person is such that it reduces the likelihood that the director, officer, employee or volunteer can act in the best interests of LUMINA Center.

*Person* means any individual, trust, estate, partnership, association, company or corporation.

*Substantial influence over LUMINA Center*. The following persons are deemed to have substantial influence over LUMINA Center: Executive Director, each member of the Board of Directors; the officers of LUMINA Center, and such persons' spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters, and the spouses of children, grandchildren, great grandchildren, brothers, sisters; and an entity in which such persons hold more than thirty-five (35) percent control. Furthermore, any person who met one of these definitions in the five years before the proposed transaction is deemed, for purposes of this Policy, to have substantial influence over LUMINA Center.

## IV. Procedures

Duty to Disclose

Each employee shall disclose to the Executive Director all material facts regarding the affiliation of such employee with any person with whom LUMINA Center is considering entering a transaction. The employee shall make that disclosure promptly upon learning of the link between that person and transaction.

The Executive Director and any other person with substantial influence over LUMINA Center shall disclose to the Board all material facts regarding his or her affiliation with any person with whom LUMINA Center is considering entering a transaction. The Executive Director or person with substantial influence shall make that disclosure promptly upon learning of the link between that person and the transaction. If there is a question as to whether the employee has substantial influence over LUMINA Center, the Executive Director shall present this issue to the Board of Directors, and the Board shall resolve the matter.

At any meeting of the Board at which a transaction involving an affiliated person will be considered, a director shall disclose to the members of the Board all material facts regarding the director's affiliation with any person with whom the Board is considering entering into any transaction.

Determine Whether a Conflict of Interest Exists

With regard to an employee without substantial influence over LUMINA Center, the Executive Director shall determine whether a conflict of interest exists.

With regard to the Executive Director, or a person with substantial influence over LUMINA Center, the Board shall determine if a conflict of interest exists.

After an affiliation disclosure by a director at a Board meeting, the director shall leave the meeting while the implications of the affiliation are considered and voted upon. The remaining Board members shall determine if a conflict exists.

Consequences of the Existence of a Conflict Interest

With regard to an employee without substantial influence over LUMINA Center, the Executive Director shall decide the appropriate response by LUMINA Center once a conflict of interest has been determined to exist. An employee may appeal any adverse determination to the Board.

With regard to the Executive Director or a person with substantial influence over LUMINA Center, the Board shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

## V. Findings of the Board

If the Board of Directors determines that a person with substantial influence over LUMINA Center (such person) has a conflict of interest with regard to a transaction of LUMINA Center, LUMINA Center may engage in the transaction only if the following conditions are met prior to the transaction:

A. Such person shall disclose to the Board all material facts concerning the person's affiliation with the transaction.

B. The Board shall review the material facts. The transaction may be approved only if a majority of the directors, not counting the vote of such person, concludes that:

(1) The proposed transaction is fair and reasonable to LUMINA Center, and

(2) LUMINA Center proposes to engage in this transaction for its own purposes and benefits and not for the benefit of such person, and

(3) The proposed transaction is the most beneficial arrangement which LUMINA Center could obtain in the circumstances with reasonable efforts.

The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by such person and reviewed by the Chair of the Board.

## VI. Annual Statements

Each person who is deemed to have substantial influence over LUMINA Center shall sign an Annual Disclosure Statement which affirms that the person has received a copy of this Conflict of Interest Policy, has read and understood the Policy, and has agreed to comply with the Policy, and discloses any direct or indirect affiliations.

All Annual Disclosure Statements shall be submitted to the Secretary of the Board of Directors of LUMINA Center and filed with the minutes of the first meeting of the Board of Directors held each year.

## VII. Remedies

Any director who fails to comply with this Conflict of Interest Policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If an employee who is deemed to have substantial influence over LUMINA Center fails to comply with this Conflict of Interest Policy, he or she may be put on notice or terminated, in the discretion of the Board of Directors. Any other employee or volunteer who fails to comply with this Conflict of Interest Policy may be put on notice or terminated, in the discretion of the Board of Directors.

## VIII. Periodic Reviews

To ensure that LUMINA Center operates in a manner consistent with its charitable purpose and its status as an organization exempt from federal income tax, the Board shall authorize and oversee a periodic review of the administration of this Conflict of Interest Policy. The review may be written or oral. The review shall consider the level of compliance with the Policy, the continued suitability of the Policy and whether the Policy should be modified and improved.

# Annual Disclosure Affirmation Statement

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The Conflict of Interest Policy of LUMINA Center requires an annual affirmation that you received, read, understand and agree to comply with the Conflict of Interest Policy. In addition, the Policy requires that you annually disclose (1) your affiliations with any organization with which LUMINA Center may have a financial relationship, and (2) persons with whom you have a close relationship (such as a family member of close companion) who are affiliated with any organization with which LUMINA Center may have a financial relationship.

Please print and sign your name on this Annual Affirmation Statement indicating your affirmation as described above. Please disclose, in addition, any applicable affiliations known to you.

Please return this Statement to the Executive Director or the Secretary of the Board of Directors of LUMINA Center each year by July 31.

Your Printed Name: ________________________________

Your Signed Name: ________________________________ Date: ____________

| Business/Organization | Nature of Relationship | Dates of Relationship |
| --- | --- | --- |

Reviewed by: ____________________________________ Date: _____________