

2022 CONFLICT OF INTEREST POLICY
FOR THE OFFICERS, DIRECTORS
OF
MONADNOCK HABITAT FOR HUMANITY- (MHFH)

ARTICLE 1

PURPOSE

The purpose of this conflict of interest policy is to protect this tax-exempt organization's ("MHFH") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or trustee of the MHFH, or might result in a possible excess of benefit transaction. Further, the purpose of this conflict of interest policy is to prevent situations where the personal interest of an officer, director, or trustee of the MHFH is placed in conflict with the interests of the MHFH. This policy is intended to supplement, but not replace New Hampshire law (RSA 7:19, II, 7:19-a, and 292:6-a) and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II

DEFINITIONS

1. "Interested Person"

Any officer, director, or trustee who has direct or indirect interest, as defined below, is an interested person.

2. "Financial Interest"

An interest in a transaction exceeding \$500 in value for any officer, director, or trustee, on an annual aggregate basis. An "indirect" financial interest arises where the transaction involves a person or entity of which a director, officer, or trustee, or a member of the immediate family of a director, officer, or trustee, is a proprietor, partner, employee, or officer.

3. "Pecuniary Benefit Transaction"

A transaction with the MHFH in which a director, officer, or trustee of the MHFH has a financial interest, direct or indirect. However, the following shall not be considered as pecuniary benefit transactions:

- a. Reasonable compensation for services of an executive director, and expenses incurred in connection with official duties of a director, officer, or trustee;

- b. A benefit provided to a director, officer, or trustee or member of the immediate family thereof if:
 - (i) The benefits are provided or paid as part of programs, benefits, or payments to members of the general public; and
 - (ii) The charitable trust has adopted written eligibility criteria for such benefit in accordance with its bylaws or applicable laws; and
 - (iii) The director, trustee, or family member meets all of the eligibility criteria for receiving such benefit;
- c. A continuing transaction entered into by the MHFH, merely because a person with a financial interest therein subsequently becomes a director, officer, or trustee of the MHFH.

ARTICLE III

PROCEDURES

1. Duty; General

Directors, officers, and trustees shall serve on the Board only for the charitable purposes of the MHFH and not for other reasons. Directors, officers, and trustees owe a duty of loyalty to the MHFH, and are prohibited from personally profiting from, or from having a personal interest in, any transaction with the MHFH except as permitted under New Hampshire law.

2. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose, in writing, the existence of the interest and be given the opportunity to disclose all material facts to the Board of Directors.

3. Conditions Under Which Pecuniary Benefit Transactions are Permitted

A pecuniary benefit transaction shall be prohibited unless it is in the best interest of the MHFH and unless all of the following conditions are met:

- a. The transaction is for goods or services purchased or benefits provided in the ordinary course of business of the MHFH, for the actual or reasonable value of the goods or services or for a discounted value, and the transaction is fair to the MHFH;
- b. The transaction receives affirmative votes from at least a 2/3 majority of all the disinterested members of the Board of Directors of the MHFH, which majority shall also equal or exceed any quorum requirement specified in the bylaws of the MHFH:

- (i) After full and fair disclosure of the material facts of the transaction to the Board of Directors and after notice and full discussion of the transaction by the Board;
 - (ii) Without participation, voting, or presence of any director, officer, or trustee with a financial interest in the transaction or who has had a pecuniary benefit transaction with the MHFH in the same fiscal year, except as the Board may require to answer questions regarding the transaction; and
 - (iii) A record of the action on the matter is made and recorded in the minutes of the Board of Directors;
- c. The MHFH maintains a list disclosing each and every pecuniary benefit transaction, including the names of those to whom the benefit accrued and the amount of the benefit, and keeps such list available for inspection by members of the Board of Directors and contributors to the MHFH. The list shall also be reported to the Director of Charitable Trusts each year as part of the MHFH annual report required under RSA 7:28;
- d. If the transaction, or the aggregate of transactions with the same director, officer, or trustee within one fiscal year, is in the amount of \$5,000 or more, the MHFH publishes notice thereof in a newspaper of general circulation in the Keene community and gives written notice to the Director of Charitable Trusts, before consummating the transaction. At a minimum, such notice shall state that it is given in compliance with RSA 7:19-a and shall include the name of the charitable trust (MHFH), the name of any director, officer, or trustee receiving pecuniary benefit from the transaction, the nature of the transaction, and the specific dollar amount of the transaction.

4. Additional Prohibited Activities

- a. The MHFH shall not lend money or property to its directors, officers, or trustees. Any directors, officer, or trustee who assents to or participates in the making of any such loan shall be jointly and severally liable to the MHFH for the amount of such loan until it is repaid.
- b. The MHFH shall not sell, lease for a term of greater than five (5) years, purchase, or convey any real estate or interest in real estate to or from an officer, director, or trustee without the prior approval of the probate court after a finding that the sale or lease is fair to the MHFH. However, this paragraph shall not apply to a bona fide gift of an interest in real estate to the MHFH by a director, officer, or trustee of the MHFH.

5. Violations of the Conflicts of Interest Policy

- a. If, after making further investigation as warranted by the circumstances, the Board of Directors determines a person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

RECORD OF PROCEEDINGS

The minutes of the Board of Directors and all committees with board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V

ANNUAL STATEMENTS

Each office, director, and trustee shall annually sign a statement, in substantially the same form as attached Schedule A, which affirms such person:

- a. Has received a copy of the conflict of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy;
- d. Has reviewed and agreed to comply with the requirements of New Hampshire law (RSA 7:19, II, 7:19-a, and 292:6-a) regarding conflicts of interest and certain prohibited pecuniary benefit transactions; and

- e. Understands the MHFH is not-for-profit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VI

PERIODIC REVIEWS

To ensure the MHFH operates in a manner consistent with its not-for-profit status purposes and does not engage in activities that would jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether its transactions or arrangements are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with organizations conform to the MHFH's written policies, are promptly recorded, reflect reasonable investment or payments for goods and services, further not-for-profit purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

SCHEDULE A FOR OFFICERS, DIRECTORS, & TRUSTEES
2022 CONFLICT OF INTEREST POLICY

I, _____, have received, read, and understand this policy and applicable state laws. I agree to comply with this policy and understand that the Monadnock Habitat for Humanity, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes. I am disclosing the following potential and/or actual Conflicts of Interest:

Nature of Conflict(s) (Describe circumstances and why it may be a conflict.)

Name (print): _____

Signature: _____

Date: _____