

**CONFLICT OF INTEREST POLICY  
FROM PERSONNEL POLICY- JUNE 2018**

YES Housing, Inc (“YES”), as a nonprofit, tax-exempt organization, must protect its interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or employee of the organization or might result in a possible excess benefit transaction. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of YES first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

A conflict of interest may exist when the interests or potential interests of any director, officer, or employee, or that person’s close relative, or any individual, group, or organization to which the person associated with YES has allegiance, may be seen as competing with the interests of YES, or may impair such person’s independence or loyalty to YES. A conflict of interest is defined as an interest that might affect, or might reasonably appear to affect, the judgment or conduct of any director, officer or employee in a manner that is adverse to the interests of YES. This policy is directed not only to Board members and officers, but to all employees of YES.

There exists between YES and its board, officers and employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers and employees have the responsibility of administering the affairs of YES honestly and prudently and of exercising their best care, skill and judgment for the sole benefit of YES. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with YES or knowledge gained for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

Conflicts of interest may arise in the relations of directors, officers and employee with any of the following third parties:

- Persons and firms supplying goods and services to YES
- Persons and firms from whom YES leases property and/or equipment
- Persons and firms with whom YES is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other property
- Competing or affinity organizations
- Donors and others supporting YES
- Recipients and grants from YES
- Agencies, other organizations and associations that affect the operations of YES
- Family members, friends and other employees

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned above. Such an interest might arise, for example, through:

- Owning stock or holding debt or other proprietary interests of more than 5% in any third party dealing with YES

- Holding office, serving on the board, participating in management or being otherwise employed (or formerly employed) by any third party dealing with YES
- Receiving remuneration for services with respect to individual transactions involving YES
- Using YES' time, personnel, equipment, supplies or goodwill other than for approved YES activities, programs and purposes
- Receiving personal gifts or loans from third parties dealing with YES. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

The areas of conflicting interest listed above and the relations in those areas that may give rise to conflict listed herein are not exhaustive. Conflicts might be in other areas or through other relations. It is assumed that the trustees, officers and employees will recognize such areas and relations by analogy.

The fact that one of the interests described above exists does not necessarily mean that a conflict exists or that the conflict if it exists is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of YES.

However, the existence of any of the interests described above shall be disclosed on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of the board, officers and employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Directors having a conflict of interest with YES shall notify the Board Chair of such conflict. Employee disclosures should be made to the Chief Executive Officer, who shall determine whether a conflict exists and is material, and if the matters are material, will bring them to the attention of the board or designated committee.

The Board shall determine whether a conflict exists and is material and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair and reasonable to YES. The decision of the Board on these matters will rest in its sole discretion and its concern must be the welfare of YES and the advancement of its purpose.

The minutes of the next meeting of the Board or its committee shall reflect that the conflict of interest was disclosed, that the interested person was not present during discussion or decision on the matter, and did not vote.

Transactions with related parties may be undertaken only if all of the following are observed:

- A material transaction is fully disclosed in the audited financial statements of the organization;
- The related party is excluded from the discussion and approval of such transaction;
- A competitive bid or comparable valuation exists; and
- The organization's Board has acted upon and demonstrated that the transaction is in the best interest of YES.

The policy and its application shall be reviewed annually for the information and guidance of its directors and officers, each of whom has a continuing responsibility to scrutinize their transactions and outside business interests and relationships for potential conflicts of interest, and make such disclosures as described in this policy. Each director will be asked to complete a certification of agreement with the policy and disclosure of any known conflicts of interest upon his or her election or re-election to the board and annually thereafter. As also administered by the Chief Executive Officer or his designee, each employee will be asked to complete such a certification upon his or her employment and on an annual basis thereafter. All certifications shall be reviewed by the board as appropriate.

**INITIAL AND ANNUAL CONFLICT CERTIFICATION**  
**Board, Officers and Staff**

I have read and agree to abide by YES's Conflict-of-Interest Policy. I have received and reviewed YES's vendor and employee lists. To the best of my knowledge, I have no conflicts as described in this Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (please print)

— OR —

I have read and agree to abide by YES's Conflict-of-Interest Policy. I have received and reviewed YES's vendor and employee lists. To the best of my knowledge, I have no conflicts as described in this Policy, except those noted below or on the attached paper.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (please print)