



November 2020

SOMOS Conflict of Interest Policy for Board of Directors

Definition of “Conflict of Interest”: *Any situation in which an individual or corporation (either private or governmental) is in a position to exploit a professional or official capacity in some way for their personal or corporate benefit.*

Examples of conflict of interest:

Nepotism and self-dealing are two kinds of conflicts of interest that can affect a nonprofit organization. Also, sharing information about the organization—financial information and donor lists are two such topics—with outside entities. Romantic relationships between board members and staff, vendors, or other organizational partners can (but not always) represent a conflict.

This SOMOS organizational policy requires those board members with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict to the full Board of Directors, and prohibits interested Board members from voting on any matter in which there is a conflict.

Certain circumstances can occur that *appear to be a conflict of interest* and SOMOS seeks to avoid these circumstances if at all possible. Even the appearance of a conflict of interest can lead to consequences or legal problems.

SOMOS will be on the lookout for conflicts of interest in other areas of the organization, such as key paid and unpaid staff.

SOMOS Board of Directors should review conflict of interest policies annually at the board retreat and each board member shall reveal any potential conflicts at this time. The board shall evaluate and vote as to whether or not the situation requires action.