

Conflict of Interest Policy

OVERALL POLICY

Utah Open Lands is committed to conducting all of its activities in a manner that protects the reputation of Utah Open Lands and that complies with the legal obligations imposed upon it by virtue of its status as a nonprofit charitable organization and as a tax-exempt public charity. Therefore, it is the policy of Utah Open Lands to identify and address all transactions involving conflicts of interest, potential conflicts of interest and other situations that may give rise to an appearance of a conflict of interest as set out below. Whether or not specifically addressed by this policy, all decisions and activities of the Board of Directors and the Staff are governed by an overriding requirement to act honestly and in good faith and in recognition of our responsibilities to the organization itself and to the communities in which we work.

Additional detail on this policy is set out below.

FIDUCIARY RESPONSIBILITY

Members of the Board of Directors, officers and employees of Utah Open Lands owe a broad duty of loyalty and fidelity to the organization. They have a fiduciary responsibility to act in good faith and in a manner reasonably believed to be in the best interests of the organization in all decisions and actions undertaken on behalf of Utah Open Lands. They may not use their positions with Utah Open Lands to profit personally, or professionally at the expense of Utah Open Lands, or for the financial or other benefit of any other organization with which they are associated. They have the responsibility to administer the affairs of Utah Open Lands honestly and prudently, using their best care, skill and judgment in caring out their responsibilities for the sole benefit of Utah Open Lands.

AVOIDING PRIVATE INUREMENT AND EXCESS PRIVATE BENEFITS

As a 501(c)(3) public charity, Utah Open Lands must always operate exclusively for its charitable purposes and so that no part of its net earnings inure to the benefit of any private entity or individual. This means that no more than insignificant or incidental benefit will be provided by Utah Open Lands to a private entity, including a party that is not related to the organization. Additionally, Utah Open Lands will not provide any related party with any benefit in excess of goods or services received by Utah Open Lands.

ASSURING BOARD INDEPENDENCE

Overall, it is the role of the Board of Directors to govern the organization and to make sure that Utah Open Lands carries out its mission. Independence of the Board Members is essential to insure that the Board fulfills its fiduciary responsibility to provide the leadership and oversight necessary to objectively carry out its responsibilities.

Standard 4: Conflict of Interest

Therefore, no Member of the Board of Directors will receive compensation or other direct payments from Utah Open Lands. Any proposed transactions between Utah Open Lands and a Board Member or a Member of the Board Member's family will be strictly scrutinized under the conflicts of interest procedures set out below.

Additionally, all Board Members will be asked to annually disclose any business or family relationships they may have with other Members of the Board or the Staff.

CONFLICT OF INTEREST: DEFINITION

A conflict of interest arises when "insiders" are in a position, or perceived to be in a position, by which they may benefit financially (or create a benefit to a family Member or other organization with which they are associated) by virtue of their position within the non-profit organization.

Insiders: Board Members and Staff, substantial contributors, their relatives, those who have an ability to influence decisions of the organization and those with access to information not available to the general public.

Utah Open Lands must follow the process set out in this policy in analyzing any potential conflict.

CONFLICTS OF INTEREST: DISCLOSE. DISCUSS. DECIDE. DOCUMENT.

Utah Open Lands recognizes the potential for Utah Open Lands, its Board Members and its Staff to become involved in situations, activities or transactions that may result in a real or perceived conflict of interest. In order to make sure that the interests of Utah Open Lands are properly protected, it is the policy of Utah Open Lands that conflicts of interest or potential conflicts of interest will be handled as follows:

- All pertinent facts regarding the transaction or situation with a conflict or potential conflict of interest must be fully disclosed in a timely manner.
- The situation or transaction must be fully analyzed and discussed.
- A decision will be made as to how to proceed.
- Unless a finding of no conflict, Board Member may be recused from board discussion and will not be allowed to vote.
- The process and the decision will be properly documented.

A form "Conflict of Interest Disclosure has been created to assist in documenting decisions and details.

Those who have authority and responsibility to make the decision regarding the project, activity or transaction in question will be involved in the discussion and responsible for the decision. Specifically, all conflicts or potential conflicts involving Board Members will be disclosed to the Board Chair and dealt with by the Board. All conflicts or potential conflicts involving Staff Members will be disclosed to and addressed by the Executive Director. Any finding by the Executive Director of a substantial conflict between a Staff Member and the organization shall be reported to the executive committee of the Board. All conflicts or potential conflicts involving a significant contributor, related parties or insiders will be disclosed. The person for whom the conflict or potential conflict exists will not be involved in the

Standard 4: Conflict of Interest

decision. Decisions regarding any Board Member conflicts or potential conflicts will be reflected in the Board meeting minutes. The Executive Director will ensure the maintenance of records on decisions regarding any Staff conflicts.

RELATED PARTIES

For purposes of this policy, related parties are those individuals that have a unique position of authority or influence within Utah Open Lands or that have access to proprietary or other inside information not available to the general public. This includes:

- Current or former officers and Members of the Board of Directors.
- Current or former Staff Members, particularly key Staff Members.
- a significant contributor to the organization.
 - Or parties related to any of the above

BACKGROUND

Utah Open Lands' reputation is its most valuable asset. This policy is designed to protect that asset. This policy recognizes the legal and fiduciary obligations and responsibilities that apply to Utah Open Lands and to its Board Members, and employees. This policy also recognizes that the circumstances which might give rise to concerns about conflicts of interest or other situations in which Utah Open Lands' reputation might be comprised are incredibly varied. Therefore, the policy creates an approach to identifying and analyzing potential problems and concerns and allows decisions to be made based upon the specific situation. To help illustrate this policy, the following are examples of situations that could be problematic and will require careful scrutiny:

- Utah Open Lands contracts for legal services with a Board Member or the Board Member's law firm.
- Utah Open Lands hires the children of a former Board Member to fill a full-time land protection position.
- Utah Open Lands acquires a conservation easement from a Board Member.
- A Board Member who owns property protected by a Utah Open Lands easement asks for unusual concessions regarding a possible easement violation.
- A significant contributor asks the Staff to consider hiring a relative.
- Utah Open Lands sells land or other property to a Board Member or other related party.
- A Staff Member negotiating a conservation easement tells a relative about the transaction and the relative suggests purchasing adjacent property.
- A staff Member uses confidential donor information obtained while working with Utah Open Lands to help raise funds for another organization.

In some of these situations, proper disclosure and discussion may be adequate to allow the transaction to proceed. In other cases, the suggested transactions are simply inappropriate and should not be allowed.

The IRS has recently indicated that it will pay particular attention to land transactions between a land trust and a related party. These transactions will be given particular attention. The recently revised IRS Form 990 now requires substantially more disclosure regarding relationships or transactions between Utah Open Lands and its current and former Board Members and key employees and their families.

Standard 4: Conflict of Interest

While the IRS has clearly stated that it does not and cannot dictate a certain form of governance or suite of policies for any particular organization, it is concerned that without certain policies and procedures in place a charitable organization may be more likely to engage in prohibited activities such as those involving excess benefits or private inurement. Similarly, the IRS has expanded its definition in Form 990 of interested parties, or related parties as that term is used in this policy. It now includes both current and former Board Members and key Staff Members and their families. The IRS has also created specific guidelines as to when an indirect business relationship between Utah Open Lands and a related or interested party needs to be disclosed. Utah Open Lands' policy has been designed to encourage all disclosures and potential conflicts of interest, with the details of when specific information or transactions need to be reported or disclosed to the IRS dealt with during the process of completing Form 990. With this policy in place, Utah Open Lands hopes to provide the IRS and others with the confidence that the Board and Staff of Utah Open Lands are at all times acting in the best interests of the organization.

This policy replaces any prior Utah Open Lands policies on conflicts of interest.