



# CONFLICT OF INTEREST POLICY FOR BOARD MEMBERS

**BBB | Denver/Boulder**

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The most valuable assets of your Better Business Bureau are its integrity and neutrality. Any conflict of interest on the part of your BBB/Foundation Board of Directors, whether real or perceived, can harm the BBB's reputation. To eliminate the existence or appearance of any conflict of interest, the following standard shall apply to all BBB/Foundation officers and directors.

## I. DEFINITIONS

A. "Association with a for-profit business" means:

1. Being employed by a for-profit business,
2. Serving as an officer or director of a for-profit business, or
3. Retaining a significant ownership interest in a for-profit business.

B. "Association with a not-for-profit organization" means serving as an officer or director of a not-for-profit organization.

## II. AVOIDING ACTUAL OR PERCEIVED CONFLICT OF INTEREST

BBB/Foundation Directors and Officers shall avoid both the fact and appearance of a conflict of interest in any work or service performed by the BBB.

A. BBB/Foundation Directors and Officers shall never use their position on the board as a factor in their personal consumer or business relationships. The fact that a person is an officer or director should not be mentioned in any marketplace transaction. If the consumer or business is already aware of the person's relationship to the BBB it shall be made clear that the BBB relationship has no influence on the transaction.

## III. ANNUAL DISCLOSURE BY BBB/FOUNDATION DIRECTORS

A. On an annual basis, the BBB CEO and officers shall disclose to the BBB/Foundation Board of Directors:

1. Any association with a for-profit business;
2. Any association with a not-for-profit business;
3. Any other financial, business or community relationship that may conflict with the work or service performed for the BBB;
4. Any association with a for-profit business by a spouse or immediate family member;
5. Any association with a not-for-profit organization by a spouse or immediate family member;  
and
6. Any other financial, business or community relationship of a spouse or immediate family members that may conflict with the work or service performed for the BBB.

B. On an annual basis, all BBB/Foundation directors shall disclose to the BBB/Foundation Board of Directors any financial, business or community relationship that may conflict with the work

or service performed for the BBB.

#### IV. RESTRICTIONS APPLICABLE TO BBB/FOUNDATION DIRECTORS

- A. BBB/Foundation directors who are associated with a for-profit business or a not-for-profit organization shall not vote or use personal influence on any board action pertaining to the business/organization, or the trade or industry of which the business/organization is a part. The director may, however, participate in board discussions relating to such action by providing information known to the director and answering questions from other directors. The minutes of any board meeting relating to such board action shall clearly state that the director did not vote on the matter and shall describe the extent of the director's participation in any discussion.
- B. The BBB/Foundation may purchase a substantial amount of goods or services from a business or not-for-profit organization that a director is associated with only if:
  - 1. At least three competitive bids are obtained from other providers, if possible; and
  - 2. The business/organization is not the lowest bidder, the BBB/Foundation board of directors or executive committee must be informed of the relationship between the BBB/Foundation director and the business/organization. The minutes of the board/Foundation or executive committee should reflect this disclosure.

#### V. RECEIPT OF GIFTS OR GRATUITIES

BBB/Foundation officers and directors shall not accept more than nominal gifts, gratuities, or free services if:

- A. The gift/gratuity/service is from a business/organization or person associated with a business/organization; and
- B. The BBB's operations (including reporting, philanthropic review, dispute settlement and development or implementation of standards) significantly affect the business/organization, or competitor of the business/organization or the trade or industry of which it is a part.

Signature: \_\_\_\_\_ Date \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_