

**Auxiliary Communications Service
of
Montgomery County, Maryland, Inc.**

Conflict of Interest Policy

Section 1 — Purpose

The Auxiliary Communications Service of Montgomery County, Maryland, Inc. (hereinafter, MCACS) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of MCACS as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

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

Section 2 — Persons Concerned

This statement is directed not only to directors and officers, but to all volunteers who can influence the actions of MCACS. For example, this would include all who make purchasing decisions, all persons who might be described as having management or leadership roles, and anyone who has proprietary information concerning MCACS.

Section 3 — Areas In Which Conflict May Arise

Conflicts of interest may arise in the relations of directors, officers, and volunteers in management or leadership roles with any of the following third parties:

1. Persons and firms supplying goods and services to MCACS.
2. Persons and firms from whom MCACS leases property and equipment.
3. Persons and firms with whom MCACS is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting MCACS.

6. Agencies, organizations, and associations which affect the operations of MCACS.
7. Family members, friends, and other MCACS members.

Section 4 — Nature of Conflicting Interest

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with MCACS.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with MCACS.
3. Receiving remuneration for services with respect to individual transactions involving MCACS.
4. Using MCACS's time, personnel, equipment, supplies, or good will for other than MCACS-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with MCACS. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

Section 5 — Interpretation of This Statement of Policy

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 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 it is necessarily adverse to the interests of MCACS. However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Section 6 — Disclosure Policy and Procedure

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The Board has determined that the transaction is in the best interest of the organization.

Disclosure of a potential conflict of interest by members of the organization should be made to the President, who shall bring the matter to the attention of the Board. If the President is the one with the potential conflict, then she or he shall bring the matter to the Board directly. A Conflict of Interest Questionnaire and Disclosure Form is available to be downloaded from the MCACS website at the following URL. This form may be used (a) as a tool for determining whether a potential conflict should be disclosed, and (b) as a means of making the disclosure.

http://mcacs.net/wp-content/uploads/COI_Disc.pdf

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

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