



## **Conflict of Interest Policy**

*Updated and Adopted by the Board of Directors on 11/18/21*

### **Article I -- Purpose**

The purpose of this Board conflict of interest policy is to protect the interests of Oxnard Performing Arts Center Corporation (henceforth "OPAC") when it is considering transactions or arrangements that might benefit the private interests of an officer or director of OPAC.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

This policy is also intended to identify "independent" directors.

### **Article II -- Definitions**

1. Interested person -- Any director, or officer, or with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which OPAC has a transaction or arrangement,
  - b. A compensation arrangement with OPAC or with any entity or individual with which OPAC has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which OPAC is negotiating a transaction or arrangement.
3. Independence:

The IRS employs the following definition in the instructions to the Form 990. An independent director is a person:

  - a. "Who is not compensated as an employee of the organization;
  - b. Who does not receive compensation or other payments exceeding \$10,000 from the organization as an independent contractor (other than reimbursement of expenses or reasonable compensation for services provided in the capacity of serving as a member of the governing body);
  - c. Who does not receive, directly or indirectly, material financial benefits from the organization except, if applicable, as a member of the charitable class served by

the organization; and Who is not a spouse, sibling, parent, or child of any individual who is employed by, or receives compensation or other material benefits from, the organization.”

Thus under IRS definition “independence” is characterized by no financial or familial relationships between the individual and the corporation.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the uninterested Board members decide that a conflict of interest exists, in accordance with this policy.

### **Article III -- Disclosure Requirements**

Directors are charged with the duty to act in the interest of the corporation. This duty of loyalty requires that any conflict of interest, real or possible, be disclosed in advance of joining a board and when they arise. So that all members are aware of - and avoid - transactions in which the nonprofit's interests are not primary,

If an employee, Director or Board member becomes aware that he or she has a conflict of interest, it must be disclosed as quickly as possible, but no more than 14 days after becoming aware of such conflict.

The procedure for disclosing a conflict will consist of written notification to the board within the aforementioned timeframe. This written notice must contain background on the conflict, the reason the party believes it to be a conflict, and a timeline of the party's awareness or self-determination of the conflict.

### **Article IV -- Resolutions**

The Board will use its discretion and good-faith analysis to determine whether the in personal interest of the interested party violates the core purpose and interests of OPAC as memorialized in bylaws, Certificate of Incorporation or these policies herein, ultimately in order to determine whether in allowing such an interest to exist, the Directors will be violating their requisite duty of loyalty to the corporation of OPAC.

The board will vote on such and will establish a conflict results in a violation of the aforementioned **by a vote of two thirds (2/3) of the entire board**. If the Board determines a resulting violation, than it must engage in a documented discussion of the most expedient and appropriate resolution to remedy and eliminate the violation by a vote of a majority of the entire board.

**Article V -- Voting**

No interested individual can be present during, participating in deliberation, voting on the crux of the conflict, or influence the decision making process or vote on the remedy to or determination of the action which gave rise to the conflict.

**Article VI -- Documentation**

OPAC will document any existing conflict and identify and explain the resolutions of each conflict.

**Article VII -- Renewal of Policies**

These articles governing issues related to conflicts of interest must be signed by any new directors, officers and employees and also be re-signed annually after a review, which may include alterations to the policies established by a majority vote of the entire Board of Directors

**Article VIII -- Annual Statement**

OPAC Board Members must annually sign a statement that identifies entities in which they serve as an officer, director, trustee, member, or employee and with which the corporation has a relationship; as well as any transaction of the nonprofit in which the director might have a conflicting interest.

The timing of this annual statement shall be determined by a vote of a majority of the entire board.

**Part I. Acknowledgment of Receipt**

I hereby acknowledge that I have received a copy of the conflict of interest policy of OPAC, have read and understood it, and agree to comply with its terms.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Part II. Disclosure of Financial Interests

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, we need each OPAC Board Member to disclose the information requested in this Part II.

A “conflict of interest,” for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, Board Representative, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

### Part II Please check ONE of the following boxes:

- My interests and relationships have not changed since my last disclosure of interests.  
[Proceed to signature block below. Do not complete the tables.]

**OR**

- I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]

Names of those presenting a potential conflict of interest.

- Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/ domestic partners of brothers, sisters, children, grandchildren, and great grandchildren
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Transactions or arrangements with OPAC:

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Transactions or affiliations with other nonprofit organizations:

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Substantial business or investment holdings:

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Transactions or affiliations with businesses not listed above:

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I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.

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Name

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Signature

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Date