

# **NEWINGTON COMMUNITY ASSOCIATION CONFLICT OF INTEREST POLICY FOR OFFICERS, BOARD MEMBERS AND KEY LEADERS**

## Article I

### Purpose

Section 1.01 *Purpose*. The Board of Directors (“Board”) of the Newington Community Association (“NCA”) has adopted the following policy to assure that all deliberations and actions of the Officers and Board and other members of NCA leadership are undertaken in a manner that is free of conflicts of interest and the appearance of conflicts of interest to provide assurance that leadership acts consistently in the best interests of NCA. This policy is intended to supplement but not replace the Virginia Property Owners Association Act and any other laws applicable to nonprofit corporations in the state of Virginia.

## Article II

### Covered Persons

Section 2.01 *Covered Persons*. The policy set forth in this statement is applicable to all NCA Officers and Board members, and to committee chairs, the Community Manager and to such other committee members, community members and employees as the Board may designate. The policy shall be applicable to each person during the period that they serve in such capacity and for a period of one year thereafter (“Covered Persons”).

## Article III

### Duties of Covered Persons

Section 3.01 *Duties of Covered Persons*. Each Covered Person has a duty to place the interests of NCA foremost in any deliberations, decisions or transactions involving NCA. If a Covered Person, or a member of their family, has a conflict of interest or a potential conflict

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of interest with respect to a specific transaction or agreement, or on an ongoing basis, the Covered Person has a duty to disclose the conflict or potential conflict of interest.

## **Article IV**

### **Definition of Conflict of Interest**

Section 4.01 *Definition of Conflict of Interest*. A conflict of interest exists whenever a Covered Person (1) has an existing or potential interest which impairs or might appear to impair their independent judgment in the discharge of responsibilities to NCA or (2) may use or appear to use knowledge or information that is confidential to NCA for their individual interest or benefit. For purposes of this policy, a conflict of interest includes, not only individual financial gain in conflict with a Covered Person's duties to NCA, but also conflicts arising from an interest in or duty to another organization. An existing or potential interest of a Covered Person includes but is not limited to a direct or indirect personal or financial interest of the Covered Person, their family, their employer, an entity with which they are affiliated, or an entity in which they have a significant financial interest. The family of an individual includes (a) their spouse, parents, siblings, children and (b) any other relatives by blood or marriage living in the same household. This definition is intended to serve as a guide and is not intended to limit the Board's authority to take any action that it considers to be in the best interests of NCA.

## **Article V**

### **Procedures for Addressing a Conflict of Interest**

Section 5.01 *Disclosure of Potential Conflict*. If a Covered Person believes they may have a conflict of interest or the appearance of a conflict of interest with respect to any specific transaction or on an

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ongoing basis, they shall promptly and fully disclose the potential conflict to the NCA Board of Directors during an open meeting.

*Section 5.02 Determination of Whether a Conflict Exists.* The determination of whether there is in fact a conflict or the appearance of a conflict with respect to a Covered Person shall be made by vote of the Board of Directors in open meeting. The covered person shall abstain from the discussion and the vote, except that they may respond to Board questions for clarification or additional information in making their decision. In determining whether there is a conflict or appearance of a conflict, it is intended that the members of the Board will exercise their best judgment and, in cases of doubt, will err on the side of protecting NCA from any conflict or appearance of a conflict.

*Section 5.03 Conflict with Respect to a Specific Transaction.* If the Board of Directors determines that there is a conflict or an appearance of a conflict concerning a specific transaction with respect to a Covered Person, that person shall recuse themselves from decisions or oversight regarding the specific transaction. The minutes of the meeting shall report the decision, the identity of the specific transaction and the nature of the conflict or appearance thereof and the relevant recusal; and the minutes shall reflect the fact that the Covered Person did not participate in the deliberations or vote on the issue.

*Section 5.04 Conflict on an Ongoing Basis.* If the Board of Directors determines that a Covered Person has a conflict of interest or the appearance of a conflict of interest with respect to NCA on an ongoing basis, the Board shall so advise the Covered Person. At the Covered Person's option, they shall take steps acceptable to the Board to resolve the conflict or they shall resign their position with NCA. The minutes of the meeting shall report the decision, the nature of the conflict or appearance thereof and the resolution chosen by the Covered Person. The minutes shall reflect the fact that the Covered Person did not

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participate in the deliberations or vote on the issue.

Section 5.05 *Conflict with Respect to the President*. Notwithstanding the foregoing, in any case in which the potential conflict involves the President, the matter shall be handled in accordance with the procedures in Sections 5.02 through 5.04, except that the President shall be recused and the Vice President shall fulfill the duties that would be otherwise fulfilled by the President during deliberation and decision regarding the issue.

Section 5.06 *Finding of No Conflict*. If the Board of Directors determines that there is no conflict of interest with respect to a specific transaction or an ongoing interest or affiliation involving a Covered Person, a record of the decision shall be included in the minutes of the meeting.

## **Article VI**

### **Annual Statements**

Section 6.01 Each Covered Person shall annually sign a statement which affirms that such person—

1. has received a copy of the conflict of interest policy; 2. has read and understands the policy; 3. has agreed to comply with the policy; and
4. understands that NCA is a non-profit corporation classed as a homeowners' association for tax purposes and that, to maintain its limited federal tax exemption, its income must be derived primarily from dues or assessments from homeowners who are members of the association and its expenses must be predominantly for management, operation, care and maintenance of association property.

## **Article VII**

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Confidentiality Policy

Section 7.01 *Confidentiality Policy*. All information concerning actual or potential conflicts of interest on the part of Covered Persons shall be held in confidence unless the best interests of NCA dictate otherwise. Any disclosure beyond the members of the Board shall take place only upon majority vote of the Board.

Approval: Approved by NCA Board on June 7, 2017.

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**NEWINGTON COMMUNITY ASSOCIATION  
CONFLICT OF INTEREST POLICY RECEIPT AND  
ACKNOWLEDGMENT**

I acknowledge that I have received a copy of the Newington Community Association (NCA) Conflict of Interest Policy. I have read it carefully and hereby confirm that I understand it and agree to comply with it. I further confirm that I do not have a conflict of interest or a potential conflict of interest with NCA, except as described below.

I have the following conflict(s) of interest or potential conflict(s) of interest:

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(Attach a separate page if necessary)

- Check here if continued on a separate page
- I have previously disclosed the conflict(s) or potential conflict(s) to

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

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

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