



Conflict of Interest Policy

Individuals covered. Persons covered by this policy are the Organization's officers, directors, chief employed executive and chief employed finance executive.

The Keystone Chapter of CAI Board of Directors owes a duty of loyalty to Community Associations Institute (CAI), which requires that in serving CAI they act, not in their personal interests or the interests of others, but rather solely in the interests of CAI. Directors must have undivided allegiance to CAI's mission and public policies, and may not use their positions as Directors, information they have about CAI or strategies related to their activities, in a manner that allows them to secure a pecuniary or any other benefit for themselves, their relatives, or other organizations they belong to or serve.

The conduct of personal business between the Director and CAI is discouraged. Business transactions involving CAI in which a Director has an interest shall not be prohibited, but shall be subject to close scrutiny. Such proposed transactions shall be reviewed carefully to determine that those transactions are in the best interests of CAI and will not lead to a conflict of interest. The language in the foregoing sentence is, to an extent self-contradictory. Any matter in which one has a personal interest is, de facto, a conflict of interest.

The issue is whether, despite the conflict, the transaction is commercially reasonable and in the best interests of CAI. For the purposes of this policy, a Director has an interest in a proposed transaction if the Director has a financial interest in the transaction that is not shared by the membership at large or a substantial portion of the membership of CAI, or has a financial interest in any organization involved in the proposed transaction (except an interest as a shareholder in a publicly traded company) or holds a position as trustee, director, general manager, or principal officer in any such organization.

Prior to participating in any briefings, discussions, strategy sessions or Chapter activities that affect any programs or interests of other organizations to which Directors are affiliated or which affect a Director personally, the Director must make full disclosure to the best of their knowledge of any interest inconsistent with this policy or other chapter activity to the President of the Chapter Board of Directors.

A Director with a dual interest in a proposed issue or position shall not vote on or participate in a discussion of the matter.

A Director shall not use inside information about CAI for his/her personal benefit or for the benefit of any other organization, or use such inside information or his/her position as a Director to the detriment of CAI. Inside information is information obtained by a Director through the Director's position that has not become public information.

Each Director has a duty to place the interests of CAI and adherence to CAI's interests foremost in any dealings involving CAI and has a continuing responsibility to comply with the requirements of this Policy. On an annual basis, each Director is required to complete a Director Disclosure Statement.

Procedures to manage conflicts. For each interest disclosed to the Chairman of the Board of Directors, the Chairman will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Directors and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions within the Organization; or (d) ask the person to resign from his or her position in the Organization or, if the person refuses to resign, become subject to possible removal in accordance with the Organization's removal procedures. The Organization's chief employed executive and chief employed finance executive will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Chairman of the Board of Directors in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

Adopted by the board on October 27, 2005. Revised December 11, 2008.



Director Disclosure Statement

The Director Disclosure Statement is designed to help Directors meet their continuing responsibility to disclose potential conflicts of interest.

Part A of this Director Disclosure Statement provides instructions that should be retained by each Director and used as necessary during their current term of service to report potential conflicts of interest as they may arise. In Part B, you are requested to list all organizations, associations, or businesses in which you are involved that do business with or compete with Community Associations Institute (CAI) or a Chapter of CAI. Part C is a year-end report in which you are requested to describe any business transaction with CAI or a Chapter of CAI during the past year in which you had an interest.

Parts B and C of this form should be filled in, signed at the bottom, and returned as soon as possible to: CAI Keystone Chapter, 1100 E. Hector Street, Suite 460, Conshohocken, PA 19428.

Part A. Instructions for Disclosure of Potential Conflicts of Interest

If you have reason to believe that you may have any interest inconsistent with the *Conflict of Interest Policy* in a proposed issue, transaction, business or public policy position, you must prepare a brief letter to the President of the Chapter Board describing your potential conflict of interest. This letter must be provided to the President of the Chapter Board and you must receive a response from the President of the Chapter Board before beginning any negotiations or participating in any discussions relating to the transaction or topic of your potential conflict of interest.

A Director is considered to have an "interest" in a transaction, issues, strategy or public policy position if he, she, the business entity with which such person is associated or any family member: (1) has a direct or indirect financial interest in it; or (2) is a member of an association, organization, or business involved in or affected by the proposed transaction, issue, or policy; or holds a position as a trustee, director, general manager, principal officer, or is staff in any such association, organization, or business. A Director will not be considered to have an "interest" if the general membership of CAI or all members of the same membership category as the Director share the same predisposition or bias.

A potential conflict of interest will be reviewed carefully and measures will be provided to ensure that the interests of CAI are not adversely affected or abrogated. A Director shall not participate in any manner in the subject of the potential conflict of interest, unless the Director is first provided with written authorization. Such prohibited participation includes any discussions or votes relative to the subject of the conflict of interest and any attempts made to affect the position of other Directors. Any question concerning whether a potential conflict of interest exists must be disclosed, in writing, to the President of the Chapter Board.

Part B. Organizations, Associations, or Businesses Doing Business with or Competing With Community Associations Institute in Which You Have an Interest

In the space below, please list all organizations, associations or businesses in which: (1) you have a substantial financial interest, or (2) you are a member, hold a position as a trustee, director, general manager, principal officer, or employee, if these organizations, associations or businesses engage in business transactions with Community Associations Institute or the Chapter or compete in any way with Community Associations Institute. Enter "N/A" if you have no organizations to report



Part B. Director Disclosure Statement

**Name of Organization, Association,
or Business**

**Nature of Your Interest in the
Organization, Association, or
Business**

(Attach additional sheets if necessary.)

I certify that the above information is correct to the best of my knowledge.

Name of Director : _____

Signature: _____

Date: _____

(Please return Director Disclosure Statement to the chapter)



Part C. Transactions During the Previous Fiscal Year.

In the space below, please provide a description of any and all business transactions of CAI or the Chapter during the past fiscal year in which (1) you have a substantial financial interest, or (2) that involve an organization, association, or business in which you have a substantial financial interest, or (3) that involved an organization, association, or business in which you hold a position as trustee, director, general manager, principal officer, or staff. Include a brief description of each transaction, and a description on your interest in the transaction. Enter "N/A" if you have no transactions to report.

(Attach additional sheets if necessary.)

I certify that the above information is correct to the best of my knowledge.

Name of Director: _____

Signature: _____

Date: _____

(Please return Part C to the chapter.)