

MINNESOTA CONSORTIUM FOR ADVANCED RURAL PSYCHOLOGY TRAINING  
(MCARPT)  
POLICY AND PROCEDURE  
CONFLICT OF INTEREST, MANAGEMENT AND GOVERNANCE

PURPOSE:

- I. MCARPT is a nonprofit, tax-exempt organization and as such it is subject to scrutiny by and accountable to various governmental authorities as well as to members of the public. Consequently, there exists between the organization, its Board members, Board committee members, management employees, and the public a fiduciary duty, which carries with it a duty of loyalty and fidelity. The Board, Board committee members and management employees have the responsibility of administering the affairs of MCARPT honestly and prudently, and to exercise their best care, skill, and judgment for the sole benefit of the organization. Individuals holding those positions must exercise the utmost good faith in all transactions in which they are involved, and shall not use their positions in the organization or knowledge gained there from for their personal benefit.

DEFINITIONS:

- I. “Interested Person”: any person in a position to exercise substantial influence over the organization including but not limited to any Board member, Board committee member, management employee, or individuals in positions of influence at MCARPT or any of its owned or controlled entities.
- II. Conflict of Interest: A potential or perceived conflict of interest occurs in situations where an Interested Person’s judgment could be affected because of his or her personal interest in the outcome of a decision over which the Interested Person has control or influence. A personal interest exists when an Interested Person or a member of his or her family stands to directly or indirectly gain as a result of a decision.
- III. “Related Person(s)”: your spouse, domestic partner, parents, children, children’s spouses or children’s domestic partners, siblings, spouses or domestic partners of siblings, aunts, uncles, first cousins, step-parents and step-children.

POLICY:

- I. It is the policy of the Board of Directors that the existence of any interests or relationships as described in the following sections of this policy shall be disclosed before any transaction is completed. It shall be the continuing responsibility of the Board of Directors and other Interested Persons to scrutinize their transactions, outside business interests and relationships for potential conflicts and to immediately make such disclosures. Disclosures will be reviewed to determine whether a conflict

exists and if so, whether the contemplated transaction may be authorized as just, fair and reasonable to MCARPT.

II. PERSONS CONCERNED:

- a. This policy is directed and applies to any “interested Person.”

III. SITUATIONS OR RELATIONSHIPS IN WHICH CONFLICT MAY ARISE:

- a. Persons and firms supplying goods or services to MCARPT.
- b. Persons and firms from whom MCARPT leases, purchases or otherwise acquires property, equipment, materials or supplies.
- c. Persons and firms with whom MCARPT is dealing or planning to deal in connection with the purchase, sale or transfer of real estate, securities, or other property.
- d. Competing or affinity organizations.
- e. Donors and other financial supporters of MCARPT.
  - i. Agencies, organizations, and associations, which influence or affect MCARPT operations.
  - ii. Family members, friends, and other employees.

IV. NATURE OF A CONFLICT OF INTEREST.

- a. A conflict of interest may arise when there is a relationship between an Interested Person and any person, entity, or organization described in Article III. Such conflict of interest might arise, for example, through:
  - i. Owning stock or holding debt or having any ownership interest in any entity or organization competing with, dealing or seeking to deal with MCARPT.
  - ii. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any entity or organization competing with, dealing or seeking to deal with MCARPT.
  - iii. Receiving remuneration from any person, entity, or organization for services rendered by the Interested Person, which are related to a transaction involving MCARPT.

- iv. Receiving business travel or entertainment expenditures from an outside entity dealing or seeking to deal with MCARPT.
- v. Using MCARPT's time, personnel, equipment, supplies, or good will for competitive or personal activities carried on for financial gain.

V. GIFTS, GRATUITIES AND ENTERTAINMENT.

- a. It is inappropriate for an Interested Person or Related Person to receive gifts or loans from any person, firm, or organization dealing or seeking to deal with, or competing with MCARPT under circumstances from which it might be inferred that such gift is intended to influence or would influence the Interested Person in the performance of his or her duties. No gift may be accepted except gifts with a total value received in one year of less than \$100, which could not be refused without discourtesy or which are clearly tokens of respect or friendship and not related to any particular transaction or activity. No personal gift of money may ever be accepted.

VI. INTERPRETATION OF THIS STATEMENT OF POLICY.

- a. The situations described in Articles IV and V, which may give rise to conflict, are not exhaustive. Conflicts may arise in other situations or through other relationships. It is expected that the Board of Directors and other Interested Persons will recognize such situations and relations by analogy. The fact that one of the interests or relationships described in Article IV and V exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of circumstances it is necessarily adverse to the interest of MCARPT. If there is reasonable cause to believe that an Interested Person has failed to disclose an actual, potential or perceived conflict of interest as required in this policy, the circumstances will be addressed with the Interested Person, which may lead to corrective action up to and including termination.

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

- a. The conflict of interest is fully disclosed;
- b. The Interested Person with the conflict of interest does not participate in the approval of such transactions;
- c. If practical or appropriate, a competitive bid or comparable valuation is obtained; and
- d. The Board or committee of the Board has determined that the transaction is in the best interest of the organization.

PROCEDURE During the ANNUAL DISCLOSURE PERIOD:

- I. Annually, Interested Persons shall be required to disclose relationships that might lead to a conflict of interest by reviewing the Conflict of Interest, Management and Governance Policy, and by completing the form “Conflict of Interest Disclosure Statement”, attached as Appendix A. The completed forms are returned to the MCARPT office. Documentation will be maintained in the MCARPT office.
- II. Disclosure by any Interested Person other than a Board of committee member will be reviewed by the MCARPT office to determine whether a conflict exists and if so, whether the contemplated transaction may be authorized as just, fair and reasonable to MCARPT.
- III. Disclosure involving Board or committee members shall be made to the Board chair, (or if she or he is the one with the conflict, then to the Board vice –chair), who shall bring these matters to the Board or an appropriate committee of the Board. The Board or committee of the Board shall determine whether a conflict exists and if so, whether the contemplated transaction may be authorized as just, fair, and reasonable to MCARPT. The decision of the Board or a duly constituted committee of the Board on these matters will be at their sole discretion, and their concern must be the welfare of MCARPT and the advancement of its purposes. The decision of the Board is final. If the Board determines a conflict does not exist, the Interested Person may proceed with the transaction; however, he or she will not be eligible to vote on related issues should they arise. If the Board determines a conflict does exist, the conflict will be addressed with the Interested Person. The Interested Person will be notified of the decision.

PROCEDURE FOR DISCLOSURE OR GUIDANCE DURING THE YEAR**I. Non-Board or committee members:**

When a potential conflict of interest arises or assistance is needed in determining if a conflict may exist, the involved individual is responsible to:

- a. disclose by completing the one page form “Conflict of Interest Disclosure Guidance”, attached as Appendix B.
- b. give the completed form to his/her department management.

**II. Board or committee members:**

The completed form shall be referred for review to the Board chair or Board vice-chair as noted under Annual Disclosure, Article III.

## Appendix A

**CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Based on your position or employment with MCARPT, you are required to complete this Conflict of Interest Disclosure Statement each year with respect to your personal situation or the situation of a “Related Person.”

**Definitions:****Related Persons:**

- A. Your spouse, domestic partner, parents, children, children’s spouses or children’s domestic partners, siblings, spouses or domestic partners of siblings, aunts, uncles, first cousins, step-parents and step-children.
- B. Any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by or receive compensation from, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- C. Any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

**Interested Person:** Any person in a position to exercise substantial influence over the organization including but not limited to any Board member, Board committee member, management employee, of MCARPT.

**Contract or Transaction:** Any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relations. The making of a gift to MCARPT or a related entity or foundation is not a “contract” or “transaction”.

**NAME:** \_\_\_\_\_

1. Your relationship to MCARPT:  Board of Directors  
 Board Committee Member  
 Management  
 Other (position) \_\_\_\_\_

2. A. Have you provided services or property to MCARPT in the past year other than services provided in your capacity indicated in question #1?

Yes  No

- B. Has a "Related Person" to you provided services or property to MCARPT in the past year?

Yes  No

If yes, please describe the nature of the services or property and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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3. Have you or any Related Person purchased services or property from MCARPT in the past year?

Yes  No

If yes, please describe the purchased services or property and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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4. Please indicate whether you or any Related Person had any direct or indirect interest in any business transaction(s) in the past year to which MCARPT was or is a party?

Yes  No

If yes, please describe the transaction(s) and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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5. Were you or any of your Related Persons indebted to pay money to MCARPT at any time in the past year?

Yes  No

If yes, please describe the indebtedness and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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6. In the past year, did you or any Related Person, as a result of your position at MCARPT, receive or become entitled to receive, directly or indirectly, any personal benefits that were not compensation directly related to your duties at MCARPT?

Yes  No

If yes, please describe the benefit(s) and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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7. Are you or any Related Person a party to or have an interest in any pending legal proceedings involving MCARPT?

Yes  No

If yes, please describe the proceeding(s) and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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8. Do you or any Related Person have a financial interest in, or hold office in, serve on the board or participate in management of, or hold an employed position in or otherwise receive compensation from, an organization which competes with MCARPT or any of its affiliate entities?

Yes  No

If yes, please describe the indebtedness and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by MCARPT's Board or committee of the Board in accordance with the terms of MCARPT's conflict of interest policy?

Yes

No

If yes, please describe the situation and if a Related Person is involved, the name of the Related Person and your relationship with that person:

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**Disclosure and Acknowledgement Statement**

1. I HEREBY CONFIRM that I have read and understand MCARPT’s conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Corporation’s Executive Director or President.
  
2. I understand that I am responsible to disclose any potential or perceived conflict of interest arrangements should they arise after today’s date and prior to the next annual disclosure by completing the Conflict of Interest Disclosure Guidance form, Appendix B of the MCARPT Conflict of Interest, Management and Governance Policy.
  
3. I certify that neither I nor any Related Persons have accepted gifts, entertainment or other favors from any individual or entity during the preceding year which is prohibited by the MCARPT conflict of interest policy.

Signature	Date

Return to: MCARPT  
PO Box 948  
Detroit Lakes, MN 56502

Appendix B

**CONFLICT OF INTEREST DISCLOSURE GUIDANCE**

**Purpose:** To be completed at any time during the year, when an actual, potential or perceived conflict of interest situation arises or when guidance is needed to determine if a situation may be a conflict of interest per MCARPT Conflict of Interest, Management and Governance policy.

1. Name of Employee or Board Member: (please print)



2. Relationship to MCARPT:  Board of Directors  
 Board Committee Member  
 Management  
 Other (position) \_\_\_\_\_

3. Disclosure of Interest  
Please explain in detail the financial interest or relationship being reported:

I HEREBY CONFIRM that the information supplied above is accurate and completely describes, to the best of my knowledge and belief, the details of the disclosure.

I have read and understand MCARPT’s conflict of interest policy. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Corporation’s Executive Director or President.

Signature\_\_\_\_\_

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

**Return to MCARPT, PO Box 948, Detroit Lakes, MN 56502**