

## **Peconic Land Trust Conflict of Interest Policy**

### I. PURPOSE

Peconic Land Trust conserves Long Island's working farms, natural lands, and heritage for our communities now and in the future.

Peconic Land Trust's effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the community we serve and all parties with whom we work. It is expected that all persons subject to this policy will conduct themselves with honesty, good faith, and loyalty to the Trust and to the community we serve.

### II. DEFINITIONS

#### A. Covered Persons

1. Board members
2. Staff members
3. Board committee members

Covered persons may be in a position to influence the Trust's major financial or transactional decisions, have access to information not available to the general public, and could be involved in other activities that may pose potential conflicts with Trust activities.

#### B. Transaction

A transaction is any conservation project, contract, or other possible cause for conflict, private inurement (covered person derives a benefit), or private benefit (incidental benefit to a non-covered person).

#### C. Family

Family is defined as a spouse/domestic partner, child, sibling, parent; other relative living within the household; and/or the spouses of those relatives.

#### D. Financial Interest

A covered person has a financial interest if the person has, directly or indirectly, through business, investment, or family, an

investment/ownership interest, or compensation arrangement with the Peconic Land Trust or entity involved in a Trust transaction.

E. Duty of Loyalty

This duty requires Board members to conduct the organization's business in good faith and to pursue the interests of the Trust over their own personal, financial, or other interests. Benefits or advantages must accrue to the Trust, not to an individual.

A Board member can be subject to legal liability if a conflict of interest breaches their Duty of Loyalty.

F. Conflict of Interest

A conflict of interest is a situation that has the potential to undermine the impartiality of a person, or loyalty of a Board member, because of the possibility of a clash between the person's self-interest and/or professional interest and the interests of the Trust. A conflict of interest can exist when an individual's personal, professional, financial, family or any other interest competes with those of the Trust, a public charity.

For the purposes of this document, a conflict of interest may be real, potential or perceived, and in each case the procedures outlined in Peconic Land Trust's Conflict of Interest Policy must be followed. Conflicts of interest are likely to occur in normal business dealings, and it is important to remember that the policy is not intended to provide a moral or ethical assessment of any situation.

III. GIFTS AND GRATUITIES

Covered persons shall discourage personal gifts and must not accept gratuities or payments offered by anyone with whom the Peconic Land Trust does business. This includes offers of free service, travel, or merchandise. Borrowing from such sources is prohibited. Only token and unsolicited gifts worth less than \$100 may be accepted. If a covered person receives a gift in excess of such amount, it should be returned, or if not practical, given to the Trust. In such cases the covered person should explain the policy and request that no further gifts be provided, but that charitable gifts to the Trust may be made at any time.

IV. PROCEDURES

A. General Guidelines

All covered persons shall avoid conflicts of interest involving their duties to the Peconic Land Trust. It is expected that all covered persons will conduct themselves under strict rules of honesty and fair dealing between themselves and the Trust. Such persons shall not use their position or knowledge gained during their association with the Trust for their private benefit (or the benefit of their family) nor to obtain an unfair advantage in any aspect of their dealings with the Trust.

Conflicts of interest may arise through real estate transactions, management of finances and assets, business dealings, advocacy activity, etc. This policy is not meant to rule out transactions between the Trust and covered persons; rather it is designed to ensure that these relationships have been properly disclosed, documented, and acted upon by the Board of Directors.

B. Steps for Addressing Conflict of Interest

1. Duty to Disclose

Covered persons must disclose conflicts of interests – real, potential, or perceived – as soon as possible.

- Staff notifies immediate supervisor; supervisor notifies the President; President notifies the Board Chair
- Committee member notifies the committee Chair; committee Chair notifies the Board Chair
- Board member notifies the Board Chair

In addition, any person has a duty to disclose to the Board Chair any knowledge of a private benefit (incidental benefit to a non-covered person).

2. Recusals

Covered persons involved in a real, potential, or perceived conflict of interest:

- will not be substantively involved in decision-making affecting a transaction.
- will recuse themselves from Board, committee, or staff discussions, unless requested to provide information.
- will leave the room during a vote, unless requested otherwise.
- will always recuse themselves from voting.

3. Potential Conflicts/Disclosure of Relationships

When a transaction involves an actual, potential, or perceived conflict of interest with a covered person, the Board of Directors (or the Executive Committee) will discuss relevant issues and make a decision using the Discussions and Findings form as a guide. (Refer to Appendix B) The Board's due diligence includes discussion of relevant issues that may include:

- Real or perceived potential conflict
- Fairness to the Trust
- Public conservation benefit
- Private benefit (non-covered person) and private inurement (covered person)
- Access to information not available to the general public
- Impact on the reputation of the Trust
- Alternatives
- Advice of counsel

The Board will conclude either:

- The proposed transaction or Board resolution is appropriate.
- Further steps are needed as specified. Further steps may include competitive bidding, comparison pricing, advice of counsel, meeting with the covered person, request to remove covered person from the Board of Directors or committee until the conflict matter is resolved, or any other action as deemed appropriate by the Board of Directors.

Findings and decisions will be documented in the Discussions and Findings and appended to the Board minutes.

C. Violations of the Conflict of Interest Policy

The Board of Directors will determine if there has been a violation to disclose in accordance with this Conflict of Interest Policy, and if so, will determine appropriate action.

V. PERIODIC REVIEWS

The Board Development Committee will periodically review (at least once every five years) the Conflict of Interest Policy and make recommendations to the Board when needed. The current policy will be posted on the Trust's website.

VI. ANNUAL STATEMENT

All covered persons shall receive and must sign an annual statement attesting that they have received a copy of the Peconic Land Trust's Conflict of Interest Policy, have read and understand the policy, and agree to comply with the policy. The Conflict of Interest Policy may be combined with other annual policies as part of the Annual Board Member Agreement and Annual Committee Member Agreement.

The Board and committee signed affidavits will be filed in the executive office; staff signed affidavits will be filed in the HR files or other location specified by the Director of Operations. Documents will be kept for three years or until the transaction is completed, whichever is longer.

APPROVED BY THE BOARD OF DIRECTORS 081108

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Conflict of Interest Policy  
Appendix A**

**Examples of conflicts involving self-dealing:**

- A covered person, or his or her friends or family, is party to a transaction with the Peconic Land Trust — for example, selling land or a conservation easement to the land trust or renting property to or from it.
- A covered person holds an interest in a business that could benefit from the land trust's work (e.g., bank officer, president of a realty company that might handle resale of a land trust's restricted lands).
- A covered person renders professional services needed by the trust — legal, land planning, appraisal, financial — and is compensated for doing so.

**Examples of conflicts involving opposing loyalties:**

- A covered person makes use of knowledge gained in the course of land trust business for his or her own personal or business interests (e.g., a realtor on a land trust board using the information that a potential conservation easement may be placed on land next to a property on the market to encourage potential buyers and thereby increase his or her business).
- A covered person takes personal advantage of an opportunity he or she knows would be of interest to the land trust (e.g., purchasing a parcel of land for sale that he or she believes the land trust would like to acquire).
- A covered person influencing employment decisions to hire a close personal friend.
- A covered person seeking special concessions from the land trust on behalf of him- or herself or others (e.g., restrictions in a conservation easement that are less strict than the land trust's norms for easement-restricted land).
- A Board member is making a fundraising visit to a major Peconic Land Trust supporter. During the course of the visit, the supporter writes a generous check to the Trust. The Board member, also on the Board of another nonprofit organization, suggests this donor's name as a campaign prospect for her other organization.
- A farm is on the market and the Trust is conducting preliminary discussions with the owner. The Board of Directors conducts a deliberation about whether to acquire the property and what offer should be made. A Board member abstains from voting, but never discloses that his brother is a limited partner in the farm.

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Appendix B**

**Discussions and Findings**

covered person - as defined in Peconic Land Trust's conflict of interest policy: director, staff, or board committee member

non-covered person – person unrelated to the Trust's operations

transaction - any conservation project, contract, or other possible cause for conflict, private inurement (covered person derives a benefit), or private benefit (incidental benefit to a non-covered person)

Date:

Name(s):

Transaction:

1. Relationship(s) to the Trust

What is the relationship(s) between the person and the Trust?

2. Due Diligence/Findings

Did the Board of Directors have discussions regarding relevant issues, which may include:

- Real or perceived potential conflict
- Fairness to the Trust
- Public conservation benefit
- Private benefit (non-covered person) and private inurement (covered person)
- Access to information not available to the general public
- Impact on the reputation of the Trust
- Alternatives
- Advice of counsel

3. Recusal

Did any Board member recuse from discussion and vote?

4. Decision

The Board of Directors has concluded:

- The proposed transaction or Board resolution is appropriate.
- Further steps are needed as specified.

Explain.

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**Disclosure Statement**

The following are relationships, interests, or situations involving you or a family member that might result in, or give the appearance of being, a conflict of interest with the Peconic Land Trust:

1. List business entities (e.g. LLC, corporations, etc) where you or a family member hold significant interest (more than 5% capital or profit):
  
2. List employment relationships and position (employee, consultant, or specify other):
  
3. List other organizations/foundations and position (officer, director, member, trustee, or specify other):
  
4. Other disclosures:

**I have read, understand, and will abide by the Conflict of Interest Policy. I have kept a copy of the agreement for future reference.**

Signature \_\_\_\_\_

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

Date \_\_\_\_\_

Please return completed form to:

Julie Zaykowski  
Peconic Land Trust  
PO Box 1776  
Southampton, NY 11969