

*(Note: Include in the first (December) Board meeting each year – see July 2011 minutes)*

*Members of the Board of Directors, International Vice Presidents, and Employed International Staff.* Members of the International Board of Directors, International Vice Presidents, and Employed International Staff, and/or the immediate family members of such individuals who have a majority or controlling interest in a business entity (including but not limited to sole-proprietorships, partnerships, corporations, and limited liability companies) shall not enter into business transactions with Optimist International.

*International Committee Members.* Any member of an International Committee who may be involved in an Optimist International business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the International Board of Directors. A majority of the Board members may vote to allow the transaction if the terms are at least as fair and reasonable to Optimist International as those which would be available to Optimist International from an unrelated party. At least three competitive bids shall be required before the Board of Directors can approve any such transaction.

*Determination of Conflicts of Interest.* The Board shall determine if any Optimist International business transaction constitutes a conflict of interest. All decisions made by the majority of the Board of Directors regarding whether a conflict of interest exists shall be final. To assist the Board in making such determinations, each Officer, Board member, Vice President, International Committee member, and Employed International Staff member shall be provided with a copy of this policy and shall be required to complete the attached Acknowledgment and Questionnaire on an annual basis.

*Record of Reported Conflicts of Interests.* A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the Executive Director or, where applicable, the President. All potential conflicts of interests shall also be reported to the Board of Directors.

*Approval of Vendors.* The Audit and Finance Committee, at its November meeting each year, shall review and, if appropriate, approve all Optimist International vendors with activity greater than \$5,000 per year. Any vendor added during the fiscal year with anticipated activity of \$5,000 or greater shall be approved, if appropriate, by the Chief Financial Officer unless that person has a conflict of interest involving that vendor, in which case the Executive Director shall approve such vendor, if appropriate. Within three (3) business days after approval is granted, the Chair of the Audit and Finance Committee shall be notified. The Audit and Finance Committee, Chief Financial Officer, and/or the Executive Director shall notify the Board of Directors of any problems or concerns with a particular vendor.

*Definitions.*

“Involved in Optimist International transaction” means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from Optimist International accounts. That language is intended to include not only transactions for Optimist International’s procurement of goods and services, but also for the disposition of Optimist International property, and the provision of services or space by Optimist International.

A “possible conflict of interest” is deemed to exist where the Director, Vice President, International Committee member, or staff member, or a close relative, or a member of that person’s household, is an officer, director, employee, proprietary, partner, or trustee of, or, when aggregated with close relatives and members of that person’s household, holds 1% or more of the issued stock in the organization seeking to do business with Optimist International. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractors by an organization which seeks to do business with Optimist International, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person’s household.

A “possible conflict of interest” exists when an individual affiliated with Optimist International has an interest in an organization which is in competition with a firm seeking to do business with Optimist International if the individual’s position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.

A “possible conflict of interest” exists when an individual affiliated with Optimist International is a trustee, director, officer or employee of a not-for-profit organization which is seeking to do business with or have a significant connection with Optimist International or is engaged in activities which could be said in a business contest to be “in competition with” the programs of Optimist International.

“Gifts” No officer, International Committee member, or employee, or member of his or her immediate family shall accept entertainment, gifts, or favors provided by any person with whom Optimist International has businesses dealings under circumstance which would suggest that the donor intends to influence the judgment or conduct of the officer or employee. An Optimist International officer, International Committee member, or employee should never solicit gifts or favors. Business dealing includes not only present dealing, but also where the person seeks to have business dealing in the future. Gifts intended for Optimist International may be accepted by the President or other Optimist International officers on behalf of Optimist International

Officers, International Committee members, or employees may accept unsolicited advertising or promotional materials, such as pens, pencils, notepads, calendars,

mouse pads, and other similar items of nominal intrinsic value. In addition, tickets to entertainment events (offered without the expectation of compensation or special consideration) may be accepted.

Acceptance of food or refreshment of nominal value on an infrequent, reciprocal basis in the ordinary course of a meeting or other official function is permitted.

At the recommendation of the auditors, the Audit and Finance Committee, at its November meeting each year, will review and approve all vendors with activity greater than \$5,000 per year. Any vendor added during the year with anticipated activity of \$5,000 or greater will be approved by the Chief Financial Officer unless that person deals with that vendor, in which case the Executive Director will approve such vendor. At the time of approval, the Chair of the Audit and Finance Committee will be notified.

This policy statement shall be made available to each trustee and each person appointed to an Optimist International position, which regularly involves initiation, review, or approval of significant Optimist International contracts or other commitments. Such people will be asked to sign the attached acknowledgement concerning reporting of potential conflicts of interests.

I have read and understand Optimist International’s policy on Potential Conflicts of Interests. I agree to report promptly any such interest, which arises in my conduct of Optimist International business and, in other respects, to comply with the policy and its procedures.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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



**QUESTIONNAIRE**

(To be completed annually by The Board of Directors, Vice Presidents, International Committee Members, and Senior Staff)

\_\_\_\_\_  
Name

\_\_\_\_\_  
Office or Position Held

In responding to these questions, please note that a “yes” answer does not imply that the relationship or transaction was necessarily inappropriate.

Are you an officer, director, or employee of any corporation with which Optimist International has business dealings?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is “yes,” please list the names of such corporations, the office held and the approximate dollar-amount of business involved with Optimist International last year.

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Do you, or does any member of your immediate family, have a financial interest in, or receive any remuneration or income from, any business organization with which Optimist International has business dealings?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing question is “yes,” please supply the following information:

Names of the business organizations in which such interest is held and the person(s) by whom such interest is held:

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Nature and amount of each such financial interest, remuneration or income:

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Did you, or any member of your immediate family receive during the past 12 months any gifts or loans from any source from which Optimist International buys goods or services or with which Optimist International has significant business dealings?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to the foregoing questions is "yes," list such gifts or loans as follows:

Name of Source	Item	Approximate Value
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Were you involved in any other activity during the past year that might be interpreted as a possible conflict of interest?

Yes \_\_\_\_\_ No \_\_\_\_\_

If "yes," please describe: \_\_\_\_\_

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I certify that the foregoing information is true and complete to the best of my knowledge.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

(Dec 1992; Mar 1994; Dec 1994; March 1995; Dec 2004; Mar 2007; Dec 2011; Dec 2012; Feb 2013; Mar 2017)