



## Conflict of Interest/Related Parties Position Summary

Conflict of interest arises whenever the personal or professional interests of a board member, the executive director, or other management staff are potentially at odds with the best interests of Española Humane.

Potential conflicts are common. For example, a board member performs professional services for Española Humane, or proposes that a relative or friend be considered for a staff position. Such transactions are perfectly acceptable if they benefit Española Humane and if the board made the decisions in an objective and informed manner. Even if they do not meet these standards, such transactions are usually not illegal. They are, however, vulnerable to legal challenges and public misunderstanding.

Loss of public confidence and a damaged reputation are the most likely results of a poorly managed conflict of interest. Because public confidence is important to Española Humane, we strive to avoid even the appearance of impropriety.

Over the years, Española Humane has taken the following steps:

- Our Conflict of Interest Policy allows us to monitor and evaluate business transactions involving board members, the executive director and management staff.
- While employees often attend board meetings in order to provide information about operations, no employee is a member of the board.
- We value an independent and diverse board whose members have strong professional backgrounds. To avoid the appearance of related-party conflicts, selection of board members ensures that no member is related through blood or marriage.
- Española Humane has a disclosure procedure that board members, the executive director, consultants, and volunteer are required to utilize to divulge any issue that may constitute a potential conflict of interest.
- Española Humane has a process for deciding whether a potential conflict is, in fact, a conflict.
- The executive director has established procedures, such as anti-nepotism and program policies, competitive bids and formal hiring practices, which ensure that Española Humane is acting without any conflicts of interest.

In the event that related-party transaction may be advantageous to Española Humane, the potential transaction is disclosed to the board. Any parties involved in the transaction are excluded from the decision process. In such cases, and to the extent possible, an independent process (e.g. appraisals, RFP, etc.) are used to ensure that the transaction in question is fairly valued. All related-party transactions require board approval.