

**COLORADO HOMEOWNERSHIP COALITION,
A COLORADO NONPROFIT CORPORATION**

CONFLICT OF INTEREST POLICY

**ARTICLE I
PURPOSE**

The purpose of this Conflict of Interest Policy (the “Policy”) is to guide the Colorado Homeownership Coalition, a Colorado nonprofit corporation (“CHC”), recognized as a nonprofit entity exempt from taxation under §501(c)(3) of the Internal Revenue Code of 1986 as amended, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of CHC or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**ARTICLE II
DEFINITIONS**

Section 2.1 Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Section 2.2 Financial Interest.

(a) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(1) an ownership or investment interest in any entity with which CHC has a transaction or arrangement,

(2) a compensation arrangement with CHC or with any entity or individual with which CHC has a transaction or arrangement, or

(3) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CHC is negotiating a transaction or arrangement.

(b) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(c) A financial interest is not necessarily a conflict of interest. Under Section 3.2 below, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III PROCEDURES

Section 3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

Section 3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Section 3.3 Procedures for Addressing the Conflict of Interest.

(a) An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving a conflict of interest.

(b) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the governing board or committee shall determine whether CHC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in CHC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Section 3.4 Violations of the Conflict of Interest Policy.

(a) If the governing board or committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**ARTICLE IV
RECORDS OF PROCEEDINGS**

The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**ARTICLE V
COMPENSATION**

(a) A voting member of the governing board who receives compensation, directly or indirectly, from CHC for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CHC for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CHC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**ARTICLE VI
ANNUAL STATEMENTS**

Each director, officer, and member of a committee with board delegated powers shall annually sign a statement which affirms such person:

- (1) has received a copy of the Conflicts of Interest Policy,
- (2) has read and understands the Policy,
- (3) has agreed to comply with the Policy, and

(4) understands CHC is a public charity and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**ARTICLE VII
PERIODIC REVIEWS**

To ensure CHC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to CHC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**ARTICLE VIII
USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, CHC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CERTIFICATE

I hereby certify that the foregoing Conflict of Interest Policy constitutes the Conflict of Interest Policy of Colorado Homeownership Coalition, adopted by the Member effective July 23, 2015.

Secretary

Exhibit A

**Colorado Homeownership Coalition
Acknowledgment and Acceptance of Conflict of Interest Policy**

The standard of Colorado Homeownership Coalition is to recognize and address actual conflicts of interest as well as perceptions of conflicts of interest between the interests of CHC and personal, professional, and business interests of CHC decision makers.

I have received a copy of the Colorado Homeownership Coalition's Conflicts of Interest Policy, I have read and understand the Policy, and I agree to comply with its terms. I understand CHC is a public charity and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Disclosures

Below, I have listed personal and professional interests, relationships, and holdings that could potentially result in a conflict of interest (Use an additional sheet if necessary):

Signed: _____

Date: _____