

## **BARREN RIVER AREA DEVELOPMENT DISTRICT CONFLICT OF INTEREST POLICY**

### **SECTION 1. PURPOSE:**

The Barren River Area Development District (BRADD) was formed under KRS 147A.050 as a special unit of local government. The BRADD, as a public agency, is subject to scrutiny by and accountable to governmental authorities, as well as to members of the public. The interests of the organization must be the first priority in all decisions and actions.

### **SECTION 2. PERSONS CONCERNED:**

This statement is directed not only to directors and officers, but to all employees who can influence the actions of BRADD. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning BRADD.

### **SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- A. Persons and firms supplying goods and services to BRADD.
- B. Persons and firms from whom BRADD leases property and equipment.
- C. Persons and firms with whom BRADD is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
- D. Competing or affinity organizations.
- E. Donors and others supporting BRADD.
- F. Agencies, organizations, and associations which affect the operations of BRADD.
- G. Family members, friends, and other employees.

### **SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

- A. Owning stock or holding debt or other proprietary interests in any third party dealing with BRADD.
- B. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with BRADD.
- C. Receiving remuneration for services with respect to individual transactions involving BRADD.
- D. Using BRADD's time, personnel, equipment, supplies, or goodwill for other than BRADD-approved activities, programs, and purposes.
- E. Receiving personal gifts or loans from third parties dealing or competing with BRADD. No officer, employee, board director, committee or sub-committee member of the BRADD, shall directly or indirectly through any other person or business, solicit or accept any gift having a fair market value of more than twenty dollars (\$20.00), whether in the form of gratuity, money, service, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence, or could reasonably be expected to influence the officer, employee, board or committee member in the performance of his or her public duties.

**SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

**SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

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

- A. The conflicting interest is fully disclosed;
- B. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
- C. A competitive bid or comparable valuation exists; and
- D. The Budget and Personnel Committee have determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the Executive Director (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the Budget and Personnel Committee. Disclosure involving directors should 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 Budget and Personnel Committee.

The Budget and Personnel Committee shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to BRADD. The decision of the Budget and Personnel Committee on these matters will rest in their sole discretion, and their concern must be the welfare of BRADD and the advancement of its purpose.

This policy shall be reviewed periodically and revised as needed.

Adopted by the Barren River Area Development District Board of Directors:

Howard D. Garrett

Chairman Howard Garrett

7/26/10

Date

**BARREN RIVER AREA DEVELOPMENT DISTRICT  
CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

- a. your spouse, domestic partner, child, mother, father, brother or sister;
- b. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, 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.

The information provided on this form shall be available for inspection by member of the Board of Directors and the Executive Director and/or Legal Counsel, but shall otherwise be held in confidence except when, after consultation with the applicable officer, board member or staff, the Board determines that the Agency's best interest would be served by disclosure.

**NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)**

\_\_\_\_\_

**CAPACITY:**

\_\_\_\_\_ Board of Directors  
\_\_\_\_\_ Officer (position): \_\_\_\_\_  
\_\_\_\_\_ Staff (position): \_\_\_\_\_

**Please respond to the following questions to the best of your knowledge.**

1. Please list all corporations, partnerships, associations or other professional organizations of which you are an officer, trustee, partner or employee, and briefly describe your affiliation with such entity.

2. Please list all corporations, partnerships or other entities in which you have material financial interest as defined in the Policy.

3. Are you aware of any other relationships, arrangements, transactions or matters which could create a conflict of interest or the appearance of conflict? If so, please describe.

**I HERBY CONFIRM** that I have read and understand BRADD'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 and agree to abide by this policy.

**I FURTHER 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 BRADD Executive Director immediately at which time I will file a new Conflict of Interest Disclosure Statement.

Signature \_\_\_\_\_

Date \_\_\_\_\_