

## Conflict of Interest and Disclosure Policy

Policy Name	WEF Conflict of Interest and Disclosure Policy
Policy Category	Legal
Policy Number	2005-001
Policy Origination and Review Dates	October, 2005; September, 2007; July, 2009; July 2018; April, 2021
Requirements	Not required to comply with federal or state statutes
Review Cycle	3 years
Legal Review Required	Yes

### A. General Policy Statement

The Water Environment Federation (WEF®) Board of Trustees (Board) and other volunteer and staff leaders are dedicated to ensuring that the WEF is operated in accordance with its 501(c)(3) tax-exempt mission. Further they are committed to maintaining an organization that is operated in the most honorable and ethical manner possible, assuring WEF constituencies that decision making and governance at WEF, at the various levels and roles of contribution to WEF, is conducted in an objective and bias-free manner.

The purpose of this Conflict of Interest and Disclosure Policy (“Policy”) is to protect WEF’s interests when contemplating entering into any transaction or arrangement that might benefit the private interest of any WEF volunteer leader, Trustee, or staff or that might result in a possible conflict between the individual’s fiduciary obligations to WEF and the individual’s personal or business interests. This Policy is intended to supplement but not to replace any applicable state and federal laws governing conflict of interest application to nonprofit, charitable and educational organizations.

Volunteer leaders, Trustees and staff have a duty of loyalty to place the best interests of WEF uppermost when acting on WEF’s behalf. This duty of loyalty, or fiduciary duty, encompasses the obligation to avoid or disclose any other interests that could dilute, diminish, or divide a volunteer leader’s or Trustee’s unqualified loyalty and complete commitment to WEF. Where such interests exist, or even appear to exist, they are conflicts of interest that WEF is responsible to manage in order to ensure bias-free governance.

## **B. “Other Interests” Defined**

A person has “other interests”, whether financial or otherwise, if the person has, directly or indirectly, through business, investment, or family\*:

- 1) Ownership or investment interest, employment, or volunteer or agency interest or involvement in a commercial entity or nonprofit organization that competes with WEF;
- 2) Ownership or investment interest, employment, or volunteer or agency interest or involvement in a commercial entity or nonprofit organization that is, or seeks to be, a vendor of products or services to WEF;
- 3) A compensation arrangement with any entity or individual with which WEF has a transaction or arrangement;
- 4) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WEF is evaluating or negotiating a transaction or arrangement;
- 5) Position as spokesperson, consultant, employee, volunteer or agent for another commercial or nonprofit organization that advances opposing or adverse public policy positions from those of WEF.

*\*Family is defined as a spouse, domestic partner, parent, child, sibling, grandparent, grandchild, in-laws, and step parent, step child, guardian and ward, or member of one's household.*

## **C. Duty to Disclose**

In connection with any actual or potential conflict of interest, the party with the alleged conflict must disclose the existence of the financial interest or conflict of interest and be given the opportunity to disclose all material facts to the WEF staff member assigned to work with the party on behalf of their Board or committee assignment. As outlined later in this Policy, the matter will then be reviewed for determination of whether a conflict exists.

Disclosure of “Other Interests” should include sufficient information to permit an evaluation of the effect these might have on the volunteer leader’s, Trustee’s, or staff roles in WEF. Any confidential information included in a disclosure should be clearly marked. WEF will strive to keep information confidential unless it precludes a fair evaluation of the disclosure by the appropriate entity or individual reviewing the disclosure.

#### **D. Board of Trustees Policy Requirements and Responsibilities**

The primary duties of each Trustee are to govern WEF in accordance with the needs of the constituencies served by WEF and in accordance with applicable state and federal laws, to ensure that WEF policies are implemented, and to ensure that the WEF mission is effectively carried out.

Each Trustee is required to disclose “other interests” in writing, using procedures established by WEF annually and more frequently if other interests arise, to the WEF staff member assigned to work with the Board, the Executive Director, or President. As outlined later in this Policy, the matter will then be reviewed for determination of whether a conflict exists.

Trustees must not use their influence to sway the view of any other Trustee in arriving at their personal decision in voting. Additionally, there may be instances where WEF decides to purchase goods or services from a Trustee, or decides to participate with a Trustee (or their associates) in a specific project. In all such instances the relationship shall be disclosed to the Board and all financial aspects of the transaction shall be reviewed to determine that they are at least substantially equivalent, or more favorable to WEF, as any similar transaction with an unrelated third party.

A Trustee who disregards or violates these requirements may not be entitled to any protection pursuant to the indemnification provision in WEF Bylaws and applicable WEF policies or guidelines on indemnification. Additionally, the Trustee may not be entitled to the protection provided to Trustees of not-for-profit organizations under applicable state laws.

#### **E. Volunteer Leader Policy Requirements and Responsibilities**

In taking an active role in volunteer activities, it is foreseeable that conflicts of interest may arise. All actual and potential conflicts of interest should be disclosed in writing to the WEF staff member assigned to work with the party on behalf of their Board or committee assignment. It is the Executive Director’s responsibility to ensure that all such conflicts are resolved in the best interest of WEF. As outlined later in this Policy, the matter will then be reviewed for determination of whether a conflict exists. Generally, a volunteer may not participate in any discussion or vote on a matter in which the volunteer has a conflict of interest. The fact that a conflict was disclosed and the volunteer recused themselves from participating in any discussion and vote should be recorded in the appropriate meeting minutes.

#### **F. Staff Policy Requirements and Responsibilities**

Staff are also responsible for disclosing conflicts of interest as further outlined in WEF’s employment policies in keeping with this Policy.

## **G. Determining Whether a Conflict of Interest Exists**

After disclosure of a possible conflict of interest, presentation of all material facts, and discussion between the interested party and the WEF staff member assigned to work with the party on behalf of their Board or committee assignment, the matter will be reviewed for determination of whether a conflict exists.

Generally, Conflicts of Interest at the Board level, or involving the Executive Director, are addressed by the President, the Board, or delegated representatives of the Board (along with WEF Legal Counsel if necessary). Conflicts of interest at other volunteer levels within WEF or for staff are generally handled by the WEF Executive Director, or their designee, (along with WEF Legal Counsel if necessary) and those entities they deem appropriate to involve in the determination. If the interested party with the conflict of interest is a member of the group tasked to review the issue, the interested party shall not participate in the discussions.

### **1. Violations of the Conflicts of Interest Policy**

If it is determined that, after disclosure by the interested party as set forth in this Policy, a conflict of interest exists, such individual shall be excused from discussion and voting on the matter. If, however, it is determined that the interested party failed to disclose an actual or potential conflict of interest, the President, Board, or Board's designees, and/or Executive Director shall take appropriate disciplinary and/or corrective action.

### **2. Records of Proceedings**

The minutes of meetings where determinations are made on a conflict of interest shall contain:

- a) The names of individuals who disclosed or otherwise were found to have a conflict of interest and the decision as to whether a conflict of interest in fact existed.
- b) The names of the individuals present for discussions and votes relating to the transaction or arrangement and a record of any votes taken in connection with the proceedings