

**BIG SKY RESORT ASSOCIATION, INC.  
DBA BIG SKY CHAMBER OF COMMERCE**

**CONFLICT OF INTEREST STATEMENT**

I \_\_\_\_\_, certify that:  
(Please Print)

- (a) I have received a copy of the conflicts of interest policy and;
- (b) I have read and understand the policy and;
- (c) I understand the Chamber is not for profit and, in order to maintain its federal tax exempt status, the Chamber must engage primarily in activities that accomplish one or more of its tax-exempt purposes and;
- (c) I agree to comply with the policy.

*To be acknowledged annually.*

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**\*\*Please list any potential conflicts of interest you might have:**

**BIG SKY RESORT ASSOCIATION, INC.**  
**DBA BIG SKY CHAMBER OF COMMERCE**

**CONFLICT OF INTEREST POLICY**

PURPOSE

The purpose of the Conflict of Interest Policy is to protect this tax-exempt organization's (the "Chamber") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Chamber or might result in a finding that the transaction constituted an inurement to the officer or director. This policy is intended to supplement but not replace any applicable Montana and federal laws governing conflict of interest applicable to nonprofit organizations.

DEFINITIONS

1. **Member.** For the purposes of this Conflict of Interest Policy, any Director, officer or member of a committee with Board-delegated powers is a Member.
2. **Interested Person.** Any Member that has a direct or indirect financial interest, as defined below, is an Interested Person.
3. **Financial Interest.** A Financial Interest exists if a Member has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which the Chamber has a transaction or arrangement;
  - b. A compensation arrangement, which may include direct and/or indirect remuneration as well as gifts or favors that are not insubstantial ("Compensation"), with the Chamber or with any entity or individual with which the Chamber has a transaction or arrangement; or
  - c. A potential ownership or investment interest in, or Compensation arrangement with, any entity or individual with which the Chamber is negotiating a transaction or arrangement.

A Financial Interest is not necessarily a conflict of interest. A Financial Interest may be a conflict of interest only if the Board or its committee with Board-delegated powers decides that a conflict of interest exists.

## PROCEDURES

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 Board-delegated powers considering the proposed transaction or arrangement.
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, the Interested Person shall leave the Board or committee meeting while the determination of whether a conflict of interest exists is discussed and voted upon. The remaining Directors or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing a Conflict of Interest.**
  - a. An Interested Person may make a presentation at the 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 the possible conflict of interest.
  - b. The chairperson of the 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 Board or committee shall determine whether the Chamber 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 not producing a conflict of interest is not reasonably possible under circumstances, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Chamber'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.
4. **Violations of Conflict of Interest policy.**
  - a. If the Board or committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the Member of the basis for such belief and afford the Member an opportunity to explain the alleged failure to disclose.

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

### RECORDS OF PROCEDURES

For each Board or committee meeting at which a person's Financial Interest is discussed, the minutes shall contain:

1. 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 Board's or the committee's decision as to whether a conflict of interest in fact existed, and
2. The names of the persons who were present for discussion 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.

### COMPENSATION

1. A voting member of the Board who receives compensation, directly or indirectly, from the Chamber for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Chamber for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Chamber, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### ANNUAL STATEMENTS

1. Each Director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person:
  - a. Has received a copy of the Policy;
  - b. Has read and understands the Policy;

- c. Agrees to comply with the Policy; and
  - d. Understands the Chamber is not for profit and in order to maintain its tax exempt status it must engage primarily in activities which accomplish one or more of its tax exempt purposes.
2. Each new Board member or committee member shall be given a copy of the conflict of interest policy and shall sign the statement referred to in the preceding paragraph.

### PERIODIC REVIEWS

To ensure that the Chamber operates in a manner consistent with its tax exempt 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:

- 1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- 2. Whether partnership, joint ventures and arrangements with management organizations conform to the Chamber's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Chamber's tax-exempt purposes, and do not result in inurement, impermissible private benefit or an excess benefit transaction.

### USE OF OUTSIDE EXPERTS

When conducting the periodic reviews, the Chamber may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

The above Policy was approved by the Board of Directors on \_\_\_\_\_.

\_\_\_\_\_  
Secretary