



Heritage Estates Property Owners Association (HEPOA) Board Member Ethics Guidelines and Conflict-of-Interest Policy

Code of Ethics

All Board members will:

- Do their best to ensure that the HEPOA neighborhood is well maintained, financially secure, and operating in the best interests of the members of the Association.
- Focus their efforts on the goals of the Association and not their personal goals.
- Refrain from using their service on the Board for personal advantage or for the advantage of their friends or associates.
- Respect and support the majority decisions of the Board.
- Keep Board information confidential.
- Approach all Board issues with an open mind, prepared to make the best decisions for everyone involved.
- Do nothing to violate the trust of those who elected or appointed them to serve on the Board.
- Never exercise authority as a Board member except when acting in a Board meeting or as delegated by the Board or its President.
- Follow laws governing Planned Communities, the By-Laws and Covenants of the Association, and other policies of the Association including, but not limited to this Conflict-of-Interest Policy and Procedure.

Conflict of Interest Policy and Procedure

Purpose

The purpose of this policy is to protect the Association's interests when it is entering into a transaction or arrangement that might benefit the private interests of a Board member of the Association or might result in a possible excess benefit transaction. This policy applies to any member of the Board of Directors, whether they are an officer or a member at large.

Definitions:

Conflicts involving financial interest

Conflict of Interest shall be deemed to exist when any Board member knowingly has, directly or indirectly, through business, investment, or family:

- a) An ownership, investment, income or other interest in any entity with which the Association has a transaction or arrangement,

- b) A compensation arrangement with HEPOA or any entity or individual with which the Association has or is contemplating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Anything with a value of \$50 or more shall be considered substantial.

Conflicts involving significant relationships

A conflict of Interest shall be deemed to exist when any Board member has a significant relationship with a non-profit or for-profit entity that has or is negotiating a transaction with the Association. This definition shall include, but not be limited to, sitting on the board of a non-profit, or having a leadership role or other significant role in the operations of a for-profit or non-profit, even if there is no compensation.

Conflicts involving benefit to property

A conflict of Interest shall also be deemed to exist when a Board member's property will disproportionately benefit from a board decision relative to other members of the association.

A conflict of Interest shall be deemed *nonexistent* when any Board member or their property value will benefit from a board decision in a manner that is consistent relative to the other members of the association.

Procedures

1. *Conflict of Interest Disclosure Form*: Beginning July 1, 2022, and prior to voting on any matters put before the board, all current Board members and newly elected or appointed Board members will sign a conflict-of-interest disclosure form. The form may be found at the end of this document. This form shall be signed, and submitted to either the HEPOA secretary or HEPOA president by each Board member and will be effective for the Board member's entire term of service on the Board.
2. *Duty to Disclose*: In connection with any conflict of interest the interested Board member must disclose the existence of the interest to the other members of the board prior to, or at the beginning of, any discussion involving the conflict of interest.
3. *Recusal of Self*: Any Board member with a conflict or potential conflict of interest shall abstain from voting on any matter that involves their interest and shall give the other members of the board an opportunity to discuss the matter without their presence.
4. *Violations of this policy*:
 - a. If any board member or other member of the Association has reasonable cause to believe that a Board member has failed to disclose conflict of interest, that individual shall notify the Board of Directors either verbally at a meeting of the Board or in writing, outlining the basis for such belief.
 - b. The Board shall give the Board member in question an opportunity to explain the alleged failure to disclose.
 - c. The Board may then take any of the following actions as reasonable steps to correct the violation, which shall be determined by majority vote:
 - i. Suspend the Board member's voting privileges for specific related matters.

- ii. Require the Board member to leave the room (or virtual meeting) for the duration of consideration of and action on related matters.
 - iii. Reprimand the Board member and in egregious cases remove the Board member from the Board.
 - iv. Determine that no conflict of interest exists.
5. *Documentation*: Board minutes will reflect the disclosure of conflicts of interest and potential conflicts of interest as well as any action outlined under section 4 of these procedures.

Code of Ethics and Conflict of Interest Disclosure Form Heritage Estates Property Owners Association

This form is to be completed by all members of HEPOA Board of Directors prior to voting on any matter before the board.

Name:

Address:

Employer:

- I have read the Association's Code of Ethics and Conflict of Interest Policy & Procedure
- I agree to abide by the Association's Code of Ethics and Conflict of Interest Policy & Procedure
- I have no conflicts or potential conflicts of interest to disclose at this time
- I have or a family member has a financial interest in or significant relationship with the following entities that have arrangements with or currently would like to have arrangements with the Association:

Name of entity	My Relationship

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signed: _____ Date: _____