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Identity Theft Resource Center CONFLICT-OF-INTEREST/DUALITY-OF-INTEREST POLICY

Article I: Purpose

Identity Theft Resource Center (ITRC) strives to maintain the highest ethical standards in all policies, procedures, and programs and to avoid any conflicts of interest (see ITRC Policy for the Promotion of Ethical Conduct).

Article II: Definitions

1. **Interested Person:** Any trustee, officer, member of a committee with board-delegated powers, or employee who has a direct or indirect financial interest (as defined in Section 2) or duality of interest (as defined in Section 3), is an interested person.
2. **Financial Interest:** If a member of the governing body or any committee thereof has a financial interest conflicting with the interest of the ITRC in any manner (such as whether to enter into a contract with such individual or with an organization with which such individual is associated), then the individual must bring the conflict to the attention of the other members and refrain from deliberating or voting in any decision with respect to the matter. A person has a financial interest if the person has an interest, directly or indirectly, through business, investment, or family in:
 - a. An ownership or investment interest in any entity with which the ITRC has a transaction or arrangement, or
 - b. A compensation arrangement with the ITRC or with any entity or individual with which the ITRC 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 ITRC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

3. **Duality of Interest:** A duality of interest exists when a trustee, officer, committee member, or employee of the ITRC is affiliated with an organization seeking to request a grant or services from the ITRC. Such affiliation exists if the person is a director, trustee, officer, or employee of the organization, or has an unofficial role such as significant donor, volunteer, advocate, or advisor.

Article III: Procedures

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest or duality of interest, an interested person must disclose the existence of his or her financial interest or affiliation and all material facts to the trustees and members of committees with board-delegated powers considering the proposed transaction or arrangement. The disclosure should be made either when the interest becomes a matter of board or committee action or as part of a periodic procedure to be established by the board.

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 or she shall leave the 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.

3. **Procedures for Addressing the Interest:**
 - a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest or duality of interest.
 - b. The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. In the case of executive compensation for directors of the ITRC, see Article V – Compensation Committee (below).
 - c. After exercising due diligence, the board or committee shall determine whether the ITRC can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the ITRC's best interest and for its own benefit and whether the transaction is fair and reasonable to the ITRC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. **Violations of the Policy:**
 - a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interests or duality of interest, it shall inform the member of the basis of such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the

member has in fact failed to disclose an actual or possible conflict of interest or duality of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the board and all committees with board-delegated powers 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 or duality of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest or duality of interest was present, and the board's or committee's decision as to whether a conflict of interest or duality of interest in fact existed.
2. 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 therewith.

Article V: Compensation Committee

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ITRC for services is precluded from voting on matters pertaining to that member's compensation. For the case of compensation for the executive management of the ITRC, the ITRC Board of Directors shall appoint a Compensation Committee for the term of each Fiscal Year, whose members shall select a Chairman. The Compensation Committee will advise the members of the Board, less interested parties, on matters of ITRC management compensation. Interested members must be recused from decisions regarding executive management compensation.

Article VI: Statements of Compliance

Each trustee, officer, member of a committee with board-delegated powers, and executive manager shall sign a statement that affirms that such person:

1. Has received a copy of the conflict-of-interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that the ITRC is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

As Approved

By The Board

Date:

