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Toastmasters International
POLICIES AND PROCEDURES

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DISTRICT CONFLICT OF INTEREST POLICY

Occasionally, a situation may arise where a district contemplates a "conflict of interest" transaction. For instance, the district may consider obtaining goods or services from a district officer, or a company in which the district officer or his or her relative has an interest. Sometimes this can be quite beneficial to the district; in other cases, the transaction can have the appearance of impropriety. In order to deal openly and fairly with actual and potential conflicts of interest that may arise in these circumstances, the Board of Directors of Toastmasters International has adopted the following conflict of interest policy for districts:

- 1) A potential conflict of interest arises whenever the district contemplates a material financial transaction between the district and a district officer, or between the district and a person or company with which a district officer is affiliated. A material financial transaction shall be a transaction involving a total of more than one hundred dollars (\$100), or equivalent, within the district's annual budget year. The term district officer is defined in the district Administrative Bylaws (Art. VII, Sec. (a)) to include district governor, Lt. governor education & training, Lt. governor marketing, public relations officer, district secretary, district treasurer, area governors, and division governors. Affiliated means (a) with respect to a person, that the district officer is related to the person by blood or marriage, and (b) with respect to a company, that the district officer (or someone related to him or her by blood or marriage) is a director, officer, employee, or agent of the company, or owns one percent or more of the value of the company.
- 2) Any district officer involved in the transaction within the terms of paragraph 1 above shall abstain from voting or otherwise participating in any district decision regarding that transaction. Such district officer may, however, present the proposed transaction to the district and respond to questions asked by other district officers.
- 3) The district may engage in a transaction described in paragraph 1 above if and only if the following conditions are met prior to the transaction:
 - A. Each district officer involved discloses to the district executive committee all relevant facts concerning the transaction and his or her affiliation with the parties to the transaction.
 - B. The district executive committee shall review the relevant facts. The transaction may be approved only if a majority of the district executive committee concludes that:

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1. The proposed transaction is fair and reasonable to the district and to Toastmasters International;
2. The district proposed to engage in this transaction for the purposes and benefits of the district and Toastmasters International, and not for the benefit of the district officer involved nor for the benefit of the person or company affiliated with the district officer; and
3. The proposed transaction is the most beneficial arrangement which the district could obtain under the circumstances with reasonable effort.

If desired, the district council can approve the transaction instead of the district executive committee, following the procedure set forth above.

- 4) The minutes of any meeting at which such a decision is taken shall record all matters disclosed to and considered by the body, the vote taken, and any abstentions, as described in paragraph 3 above.
- 5) Certain transactions may not be approved under this policy under any circumstance. Those include:
 - A. Any loan of the district's money.
 - B. Any guarantee or extension of the district's credit.
 - C. Any funds for the personal use or benefit of the recipient.