

# **New Mexico Geological Society Foundation**

## **CONFLICT OF INTEREST POLICY**

### **SECTION 1. PURPOSE:**

The NMGS Foundation is a nonprofit, tax-exempt organization that supports the activities of the New Mexico Geological Society. Maintenance of its tax-exempt status is important for its continued financial status. The IRS, as well as state regulatory and tax officials, view the operations of the NMGS as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the society itself.

Consequently, there exists between the New Mexico Geological Society and the New Mexico Geological Society Foundation Board a fiduciary duty, which carries with it a broad loyalty and fidelity. The board has the responsibility of administering the financial affairs of the New Mexico Geological Society honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the New Mexico Geological Society. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the New Mexico Geological Society or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

### **SECTION 2. PERSONS CONCERNED:**

This statement is directed to New Mexico Geological Society Foundation Board members and officers that can influence the actions of the New Mexico Geological Society. For example, this would include all who make purchasing and financial decisions.

### **SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of directors and members with any of the following third parties:

1. Persons and firms supplying goods and services to the New Mexico Geological Society in exchange for financial remuneration.
2. Persons and firms from whom the New Mexico Geological Society leases property and equipment
3. Persons and firms with whom New Mexico Geological Society is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting the New Mexico Geological Society.
6. Agencies, organizations and associations that affect the operations of the New Mexico Geological Society.
7. Family members, friends, and other board members.

#### **SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with the New Mexico Geological Society.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the New Mexico Geological Society where financial remuneration for goods or services is involved.
3. Receiving remuneration for services with respect to individual transactions involving the New Mexico Geological Society.
4. Receiving personal gifts or loans from third parties dealing or competing with the New Mexico Geological Society. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

#### **SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the New Mexico Geological Society Foundation members will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of New Mexico Geological Society.

However, it is the policy of the New Mexico Geological Society Foundation Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of each board member to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

#### **SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

Transactions with parties with whom a conflicting interest exist may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The New Mexico Geological Society Foundation Board has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the President of the New Mexico Geological Society Foundation Board (or the New Mexico Geological Society Vice President if she or

he is the one with the conflict), who shall bring the matter to the attention of the New Mexico Geological Society Foundation Board as a whole.

The New Mexico Geological Society Foundation Board President will shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the New Mexico Geological Society Foundation Board. The decision of the President, or Vice President in the case of a potential conflict with the President, will rest in their sole discretion, and their concern must be the welfare of the New Mexico Geological Society and the advancement of its purpose.