

2022 Board Member Conflict-of-Interest Disclosure Agreement

Board members owe their nonprofit organizations the **duty of loyalty** (see “A Guidebook for Tennessee Nonprofits” page 3), which means acting in the best interests of the nonprofit.

A conflict of interest occurs when a board member’s personal interests interfere, or appear to interfere, with their ability to make sound business decisions on behalf of the organization. Rural Health Association of Tennessee board members have a responsibility to avoid any real or potential conflicts of interest as outlined in the guidelines below.

Actual, potential, or perceived conflict of interest includes, but is not limited to, the following scenarios:

- When an employee or board member can influence a decision or have business dealings on behalf of Rural Health Association of Tennessee that might result in personal gain of the board member or his/her friends, relatives, or employer.
- When a board member has financial interest in a business or venture that may conflict with Rural Health Association of Tennessee interests or advocacy priorities.
- When a board member has a personal relationship with an employee, potential vendor, or subgrantee.

Disclosure

Please disclose any for-profit employment, nonprofit volunteer or paid positions, relationships, memberships, or investments that result in an actual, potential, or perceived conflict of interest:

Agreement

As a Board of Director of Rural Health Association of Tennessee, I understand:

- I have a responsibility to act in the best interests of the organization, including financial transactions and rural health advocacy priorities.
- If a transaction is presented to the board in which I have a direct or indirect personal or business interest, I must disclose that conflict of interest to the board, remove myself from any board discussion, and not vote on the matter.
- Tennessee law prohibits certain conflict of interest transactions, such as loans to board members.
- If I vote to approve a conflict of interest transaction, I may be held personally responsible to the nonprofit if the transaction harms the nonprofit or is otherwise unfair.

Note: Conflicts of interest are referred to as “conflicting interest transactions” under the Tennessee Nonprofit Corporation Act.

Name: _____

Date: _____

Signature: _____