KKFI CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSES: The standard of behavior expected at KKFI is that all board members, officers, and staff scrupulously avoid any conflict of interest between the interests of the organization on the one hand and their personal, professional and business interests on the other. This includes avoiding actual conflicts of interest as well as perceptions of conflicts of interest.

Several purposes of the KKFI Conflict of Interest Policy are: to protect the integrity of the KKFI decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of our board members, officers and staff.

In addition, KKFI (Mid Coast Radio Project) is a nonprofit, tax-exempt organization. Maintenance of its tax-ecempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of KKFI as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as members of the public.

Consequently, there exists between KKFI and its board members, officers, and staff and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board members, officers and staff have the responsibility of administering the affairs of KKFI honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of KKFI. These persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with KKFI or knowledge gained there for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This policy is directed to board members, officers, and staff of KKFI.

SECTION 3. AREAS WHERE CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of board members, officers and staff with any of the following third parties:

1. Persons and firms supplying goods and services to KKFI.
2. Persons and firms from whom KKFI leaves property and equipment.
3. Persons and firms with whom KKFI 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 KKFI.
6. Agencies, organizations and associations that affect the operations of KKFI.
7. Family members, friends, and co-workers.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, in connection with any of the parties 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 KKFI.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with KKFI.
3. Receiving remuneration for services with respect to individual transactions involving KKFI.
4. Using KKFI’s time, personnel, equipment, supplies, or good will for other than KKFI-approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing with or competing with KKFI. Receipt of any gift is disapproved except gifts of a value of less than $50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS 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 may arise in other areas or through other relations. It is assumed that the board members, officers and staff will recognize such areas and relations by analogy.

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

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction related to those interests is consummated. It shall be the continuing responsibility of the board members, officers and staff 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 exists 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 valuable exists; and
4. The board has determined that the transaction is in the best interest of the organization.

Disclosure involving board members, officers and staff should be made to the Board President, or if she or he is the person with the conflict, then to the Board Vice President who shall bring these matters to the board.

The board 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 KKFI. The decision of the board in these matters will rest in its sole discretion, and its concern must be the welfare of KKFI and the advancement of KKFI’s purpose.