

# Muskogee Tourism Authority

## Conflict of Interest Policy for Trustees and Advisory Committee Members

- A. The purpose of the conflict-of-interest policy is to protect the Authority's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Authority or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.
- B.
1. Interested Person. Any member of a board or committee who has a direct or indirect financial interest, as defined below, is an interested person.
  2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
    - a. An ownership or investment interest in any entity with which the Authority has a transaction or arrangement,
    - b. A compensation arrangement with the Authority or with any entity or individual with which the Authority 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 Authority is negotiating a transaction or arrangement.
- C.
1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.
  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/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 Conflict of Interest.
    - a. An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
    - b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
    - c. After exercising due diligence, the board or committee shall determine whether the Authority can obtain with reasonable efforts a more advantageous transaction or arrangement 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 possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Authority's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- B. Violations of the Conflicts of Interest Policy. If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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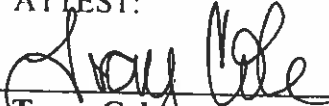
- C. Records of Proceedings. The minutes of the board and all committees shall contain the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- D. Annual Statements. Each member of the board and all committees shall annually sign a statement which affirms such person:
1. Has received a copy of the conflicts of interest policy.
  2. Has read and understands the policy,
  3. Has agreed to comply with the policy, and
  4. Understands the Authority is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- E. Recusal Policy. If a board member or committee member has a conflict of interest, he or she will refrain from participating in any evaluation tool pertaining to said organization and will excuse themselves from deliberations of said organization by leaving the room for the duration of said discussion. They will also refrain from any vote pertaining to the organization with which they have a conflict.

APPROVED THIS 17<sup>th</sup> day of November, 2022.



Daniel Chepkauskas  
Chair

ATTEST:

  
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Tracy Cole  
Secretary/Treasurer