



BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE
STATEMENT**

Branford Electric Railway Association, Inc. Mission

The mission of The Branford Electric Railway Association, Inc. d.b.a. The Shore Line Trolley Museum is to share with a diverse audience the story of the trolley and related forms of public transportation in their historical context.

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

Table of Contents

<i>1.0 Purpose</i>	3
<i>2.0 Conflicts of Interest Defined</i>	3
<i>3.0 Definitions</i>	4
<i>4.0 Procedures</i>	6
<i>5.0 Records of Proceedings</i>	8
<i>6.0 Compensation</i>	8
<i>7.0 Review of Policy</i>	9
<i>8.0 Annual Statements</i>	9
<i>9.0 Periodic Reviews</i>	10
<i>10.0 Use of Outside Experts</i>	10
APPENDIX A—CONFLICTS OF INTEREST DISCLOSURE FORM	11
APPENDIX B—DOCUMENT HISTORY	13

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

1.0 Purpose

This conflict of interest policy is designed to help trustees, officers, and employees of the Branford Electric Railway Association, Inc. identify situations that present potential conflicts of interest and to provide the Branford Electric Railway Association, Inc. with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction.

The purpose of this conflict of interest policy is to protect the Branford Electric Railway Association, Inc.'s interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a Trustee, Officer, Employee, 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 conflicts of interest applicable to nonprofit and charitable organizations. In the event that there is any inconsistency between the requirements and procedures described herein and those in federal or state law, the law shall control.

This policy is also intended to identify independent Trustees.

2.0 Conflicts of Interest Defined

For the purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

- a. Outside Interests.
 - i. An Agreement or Transaction between the Branford Electric Railway Association, Inc. and a Responsible Person or Family Member.
 - ii. An Agreement or Transaction between the Branford Electric Railway Association, Inc. and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

- b. Outside Activities.
 - i. A Responsible Person competing with the Branford Electric Railway Association, Inc. in the rendering of services or in any other Agreement or Transaction with a third party.
 - ii. A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with the Branford Electric Railway Association, Inc. in the provision of services or in any other Agreement or Transaction with a third party. Minimal ownership of stock or securities of an entity doing business with the Branford Electric Railway Association, Inc. is not a conflict of interest as defined in this policy.
- c. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:
 - i. does or is seeking to do business with, or is a competitor of the Branford Electric Railway Association, Inc.; or
 - ii. has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from the Branford Electric Railway Association, Inc.
 - iii. is a charitable organization;
- d. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of the Branford Electric Railway Association, Inc.

3.0 Definitions

- 1- **Conflict of Interest**- is any circumstance described in Section 2 of this Policy.
- 2- **Responsible Person** – Any Trustee, Officer, Employee or Member of a Committee with board-delegated powers, who has a direct or indirect financial interest, as defined below, is a Responsible Person.
- 3- **Family Member** - A "Family Member" is a spouse, domestic partner, parent, child, or

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

- 4- **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 Branford Electric Railway Association, Inc. has a transaction or arrangement [Minimal ownership of stock or securities of an entity doing business with the Branford Electric Railway Association, Inc. is not a conflict of interest as defined in this policy],
 - b. A compensation arrangement with the Branford Electric Railway Association, Inc. or with any entity or individual with which the Branford Electric Railway Association, Inc. has a transaction or arrangement, or
 - c. A potential ownership or investment in, or compensation arrangement with, any entity or individual with which the Branford Electric Railway Association, Inc. is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or Governance Committee decides that a conflict of interest exists, in accordance with this policy.

- 5- **Agreement or Transaction** – any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by the Branford Electric Railway Association, Inc. The making of a gift to the Branford Electric Railway Association, Inc. is not an Agreement or Transaction within the meaning of this document.
- 6- **Independent Trustee** – A Trustee shall be considered “independent” for the purposes of this policy if he or she is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the Trustee —
- a. Is not, and has not been for a period of at least three years, an employee of the Branford Electric Railway Association, Inc. or any entity in which the Branford Electric Railway Association, Inc. has a financial interest;
 - b. Does not directly or indirectly have a significant business relationship with the Branford Electric Railway Association, Inc., which might affect independence in

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

decision-mailing;

- c. Is not employed as an executive of another corporation where any of the Branford Electric Railway Association, Inc.'s executive officers or employees serve on that corporation's compensation committee; and
- d. Does not have an immediate family member who is an executive officer or employee of the Branford Electric Railway Association, Inc. or who holds a position that has a significant financial relationship with the Branford Electric Railway Association, Inc.

4.0 Procedures

- 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 Board or Governance Committee.
- 2- **Recusal of Self** – Any trustee, officer or committee member may recuse himself or herself at any time from involvement in which any decision or discussion in which the trustee, officer or committee member believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
- 3- **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 Governance Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Governance Committee members shall decide if a conflict of interest exists.
- 4- **Procedures for Addressing the Conflict of Interest**
 - a. Before board or committee action on and Agreement or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
 - b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to an Agreement or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Agreement or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Trustees of the Branford Electric Railway Association, Inc. has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the board of directors.
- e. Responsible Persons who are not members of the Board of Trustees of The Branford Electric Railway Association, Inc., or who have a Conflict of Interest with respect to an Agreement or Transaction that is not the subject of board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to an Agreement or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect The Branford Electric Railway Association, Inc.'s participation in such Agreement or Transaction.
- f. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy. The individual with the potential conflict of interest may make a presentation at the Board or Governance 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.

5- Confidentiality

Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be averse to the interests of The Branford Electric Railway Association, Inc. Furthermore, a Responsible Person shall not disclose or use information relating to the business of the Branford Electric Railway Association, Inc. for the personal profit or advantage of the

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

Responsible Person or a Family Member or the Responsible Person's company

6- Violations of the Conflicts of Interest Policy

- a. If the Board or Governance 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.
- b. If after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Governance Committee the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary or corrective action.

5.0 Records of Proceedings

The minutes of the Board and all committees with board delegated powers shall contain:

- a. 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 Governance Committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6.0 Compensation

- 1- A voting member of the Board who receives compensation, directly or indirectly, from the Branford Electric Railway Association, Inc. for services is precluded from voting on matters pertaining to that member's compensation.
- 2- A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Branford Electric Railway Association, Inc. for services is precluded from voting on matters pertaining to that member's compensation.
- 3- No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

from the Branford Electric Railway Association, Inc., either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7.0 Review of Policy

- 1- Each newly assigned Trustee, Officer and member of a committee with Board delegated powers shall be required to review a copy of this Policy and to acknowledge in writing that he or she has:
 - a. Has received a copy of the conflict of interest policy
 - b. Has read and understands the policy,
 - c. Has agreed to comply with the policy, and
 - d. Understands that the Branford Electric Railway Association, Inc., is charitable and in order maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- 2- This policy shall be reviewed annually by each member of the board of trustees. Any changes to the policy shall be communicated immediately to all Responsible Persons.

8.0 Annual Statements

- 1- Each Trustee, Officer and the Executive Director shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy
 - b. Has read and understands the policy,
 - c. Has agreed to comply with the policy, and
 - d. Understands that the Branford Electric Railway Association, Inc., is charitable and in order maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes
- 2- Each voting member of the Board shall annually sign a statement which declares whether such person is an independent Trustee.
- 3- Each Trustee, Officer and the Executive Director, as part of completion of their Conflicts

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

of Interest and Annual Disclosure Statement, shall disclose any potential conflict of interest for review by the Governance Committee and/or Board of Trustees.

- 4- If at any time during the year, the information in the annual statement changes materially, the Trustee, Officer of Executive Director shall disclose such changes and revise the annual disclosure form.
- 5- The Board of Trustees or Governance Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

9.0 Periodic Reviews

To ensure the Branford Electric Railway Association, Inc. operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to the Branford Electric Railway Association, Inc.'s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

10.0 Use of Outside Experts

When conducting the periodic reviews are provided for in section 7.0, the Branford Electric Railway Association, Inc. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

ANNUAL CONFLICTS OF INTEREST DISCLOSURE (CONT.)

h- In the past, have you had a financial interest, including a compensation arrangement, as defined in BERA Policy 103 – Conflicts of Interest? YES NO

i. If yes, please describe it, including when (approximately): _____

ii. If yes, has the financial interest been disclosed, as provided in BERA Policy - 103 Conflicts of Interest? YES NO

3- TRUSTEES ONLY: Are you an independent Trustee (as defined in Section 3 of BERA Policy – 103 Conflicts of Interest?? YES NO

If you are not independent, why? _____

Please enter any additional information below:

I affirm the following:

- 1- I have received a copy of the Branford Electric Railway Association Inc.'s Policy 103 - Conflicts of Interest
- 2- I have read and understand Policy 103 - Conflicts of Interest.
- 3- I agree to comply with Policy- 103 Conflicts of Interest.
- 4- I understand that the Branford Electric Railway Association, Inc. is a 501c(3) charitable organization and in order to maintain its federal tax exemption status it must engage primarily in activities which accomplish one or more tax-exempt purposes.

Trustee/Officer/Executive Director's Signature

Date

Printed Name of Trustee/Officer/Executive Director

BOARD OF TRUSTEES/GOVERNANCE COMMITTEE USE ONLY

Reviewed by: Board of Trustees Governance Committee Date _____

BRANFORD ELECTRIC RAILWAY ASSOCIATION, INC.

THE SHORE LINE TROLLEY MUSEUM

POLICY NO.: 103 – GENERAL

**POLICY: CONFLICTS OF INTEREST AND ANNUAL DISCLOSURE STATEMENT
(CONTINUED)**

APPENDIX B—Document History

03-09-2019 Adopted by The Branford Electric Railway Association, Inc. Board of Trustees.
Replaces policy adopted by the Board of Trustees 05-14-2012

05-14-2012 Adopted by The Branford Electric Railway Association, Inc. Board of Trustees.
Replaces policy “Adopted in Principle” by the Board of Trustees, 10-10-2009