**DRAFT FOR BOARD REVIEW**

**CONFLICT OF INTEREST ARTICLES AND BYLAWS REVISION PROPOSAL**

**December 19, 2014**

**Article 7:**

A vacancy in the Board of Directors shall be deemed to occur upon the death, resignation, recall, move of permanent residence outside the division from which elected, or refusal by any Director to serve or continue to serve.  Upon the occurrence of any such vacancy, the Secretary shall proclaim it and thereafter the duties of the Director shall be assumed by the Vice Director, and the Vice Director shall hold the office of Director for the remainder of the term.  Should the office of Vice Director be vacant, the vacancy shall be filled by appointment by the President.  The Vice Director shall also serve as acting Director at any meeting or part of a meeting of the Board of Directors which the Director is unable to attend, and during such period of service, the Vice Director shall be considered to have all of the duties, responsibilities, authority and obligations of a member of the Board of Directors.

**Article 12:**

No person shall be eligible for the office of Director, Vice Director, President, Vice President, or Treasurer who has not been a Full member of the League for at least four continuous years immediately preceding nomination and throughout the subsequent term of office, nor shall any person be eligible who has not held continuously during that period a valid authorization as a radio amateur in accordance with the applicable laws and regulations of the United States. No person shall simultaneously hold the office of President or Vice President and Director. No person shall be eligible to serve, or to continue to serve as Director, Vice Director, President, Vice President or Treasurer unless they are at all times in full compliance with these Articles, the Bylaws and the Rules and Regulations of the League relating to ethics, elections and conflicts of interest, as determined in accordance with the Bylaws.

**Bylaws:**

Ethics and Elections Committee

41.  There shall be an Ethics and Elections Committee composed of three Directors, who may also serve on other committees without restriction. The Committee shall:

* Apply guidelines for ethical conduct by ARRL officials adopted by the Board and make recommendations to the Board in specific cases to address noncompliance with those guidelines
* Determine eligibility of candidates for Director and Vice Director, including but not limited to receipt and review of petitions and certification of eligible candidates
* Certify a nominee's eligibility under Article 12 to fill a Vice Director vacancy under Article 7
* Supervise the balloting for Director and Vice Director, including but not limited to review of all campaign statements and materials, oversight of the balloting process in accordance with Bylaw 20, and releasing the election results
* Advise the Chief Executive Officer on, and recommend to the Board standards for, Section Manager elections
* Receive and evaluate disclosures by Board Members, Vice Directors and candidates for the office of Director or Vice Director of actual or potential conflicts of interest and report its findings to the Board of Directors
* Make factual findings regarding the presence or absence of conflicts of interest and report those findings to the Board of Directors together with any recommendations to address such ascertained conflicts
* Periodically consider whether and how the ARRL Conflict of Interest Policy should be revised or amended to better meet its objectives and report to the Board on its recommendations.

Decisions of the Ethics and Elections Committee with respect to candidates for Director and Vice Director may be reviewed by the Board of Directors upon the written request of any candidate for that office or five or more Directors. Review shall be limited to the materials submitted to the Ethics and Elections Committee. A majority of the Board of Directors is required to change any decision of the Ethics and Elections Committee with respect to candidate eligibility. With respect to the eligibility of candidates for Director and Vice Director, the Ethics and Elections Committee shall apply the applicable procedural and substantive provisions of the Conflict of Interest Policy set forth in these Bylaws.

The members of the Committee shall be annually appointed by the President at the Annual Meeting from among those Directors not subject to election during the year of service. The President shall designate the chairman of the Committee.

45.  Conflict of Interest Policy

*a. Purposes*

 The purposes of this Conflict of Interest Policy are threefold: (1) to preserve the confidentiality of business, financial, strategic, or other information, data or plans not intended for public dissemination which, if disclosed, could in the view of the Board harm the League; (2) to protect the integrity of the decisionmaking process of the Board so that the deliberations, contributions and decisions of the Board are made in the sole interest of the League and its members collectively; and (3)  to ensure that no one will be eligible for, or hold, the office of Director, Vice Director, President or Vice President whose business connections are of such nature that his or her influence in the affairs of the League could be used for his or her private benefit or materially conflict with the activities or affairs of the League. The Board shall effectuate the following policies in order to further these three purposes and to fulfill the fiduciary obligations that Board members have to the League. This policy is intended to supplement but not supersede any applicable laws governing conflicts of interest in Connecticut nonprofit and charitable corporations.

*b. Conflicts of Interest*

 (1)   A conflict of interest arises when a Board Member or Vice Director has a business, personal, professional, financial or familial interest, affiliation or relationship that could materially conflict with the obligation of the Board Member or Vice Director to the ARRL.

 (2)  A financial conflict of interest of a Board Member or Vice Director exists if the Board Member or Vice Director (or his or her parents, spouse or partner, children, siblings, or the spouses of children or siblings) has, directly or indirectly, through material equity ownership or voting control, a management position, employment, investment or contract, an interest in or other arrangement with any entity whose business or operation (i) competes with the business or programs of ARRL, or (ii) may be materially affected (positively or negatively) by a decision or action of the Board or by any program, policy, strategy or activity of the League. For purposes of this Bylaw, a material ownership or investment interest shall include an equity or voting interest of five percent (5%) or more of the value of the entity.

 (3)  A Board Member or Vice Director may not disclose confidential information obtained by him or her relating to the League to any third person or entity.

 (4) A finding that a conflict of interest exists does not indicate that any unethical or improper action on the part of a Board Member or Vice Director has been taken. Acknowledgement of conflicts through voluntary disclosure, and mitigation of the effects of conflicts, principally through some level of recusal, avoids the appearance of impropriety that otherwise might undermine confidence in the Board’s policies.

*c. Duty to Disclose*

 (1)  A Board Member or Vice Director and any candidate for election as a Board Member or Vice Director shall promptly disclose to the Ethics and Elections Committee the existence of any potential or actual conflict of interest without delay at the time that the conflict arises during the tenure of the Board Member or Vice Director or during the candidacy of the Candidate for election. Candidates for election as a Director or Vice Director shall disclose to the Ethics and Elections Committee any potential or actual conflict of interest that exists at the time of the submission of their nominating petition.

 (2) When requested by the Ethics and Elections Committee and not less frequently than once a year, each Board Member and Vice Director shall promptly submit a statement to that Committee identifying all business, personal, professional, financial, familial and other affiliations of the Board Member or Vice Director or his or her family members (i.e. parents, spouse or partner, children, siblings, or the spouses of children or siblings) that could reasonably be considered to be a conflict of interest as defined above, whether or not the Board Member or Vice Director believes that a conflict exists.

 (3) The failure of a Board Member or Vice Director to voluntarily and timely disclose facts that may result in a finding of a potential or actual conflict of interest, whether or not the disclosure is requested by the Ethics and Elections Committee, will be considered a breach of the Board Member or Vice Director’s fiduciary obligation to the League and the Board of Directors will determine an appropriate sanction therefor, even if no harm to the League results from the nondisclosure.

 (4) After disclosure of an actual or potential conflict of interest by a Board Member or Vice Director or candidate for election as a Director or Vice Director, the disinterested members of the Ethics and Elections Committee shall determine whether a conflict of interest exists. A finding of an actual or potential conflict involving a Board Member or Vice Director shall be referred to the Board for determination of an appropriate remedy unless the Committee determines that the conflict is *de minimis* and recusal is unnecessary. The interested Board Member or Vice Director shall recuse himself or herself from any vote upon any proposed matter, transaction, contract, or arrangement in connection with which an actual or potential conflict of interest has been disclosed by that Board Member or Vice Director until such time as the Ethics and Elections Committee and/or the Board has addressed the actual or possible conflict of interest.

*d. Recusal*

 The principal means of resolving conflicts of interest involving Board Members or Vice Directors will be by recusal of that Board Member or Vice Director. Upon a factual finding by the Ethics and Elections Committee that a Board Member or Vice Director has a conflict of interest and that the conflict is not *de minimis*, the Committee will make a recommendation to the Board as to the level of recusal determined to be appropriate on a case-by-case basis. The Board of Directors will then decide by majority vote which level of recusal (if any) is appropriate in that case. The levels of recusal are as follows:

 (1) The interested Board Member or Vice Director will be asked to leave the meeting room so that the Board can freely discuss and vote on the issue about which the conflict exists. Once the vote is taken, the recused Board Member or Vice Director may return to the meeting.

 (2) The interested Board Member or Vice Director may be allowed to remain in the room but not participate in the discussions or vote on the issue about which the conflict exists.

 (3) The interested Board Member or Vice Director may be allowed to remain in the room and participate in the discussions but not vote.

Upon recusal of a Director per levels 1 or 2 above, that Division’s Vice Director shall fulfill the duties of the recused Director in discussion and voting on such matter. Upon recusal of a Director per level 3 above, that Division’s Vice Director shall fulfill the duties of the recused Director in voting on such matter. A decision by the Board on recusal of a Board Member or Vice Director shall state the reason for the recusal, which shall be noted in the minutes of the Board of Directors.

*e.  Disqualification*

 Disqualification of a Board Member or Vice Director to serve or continue to serve due to a finding of a conflict of interest is a remedy that is to be applied by the Board of Directors only in the rarest of circumstances. The Board, upon a majority vote, may disqualify an incumbent Board Member or Vice Director upon a finding that the Board Member or Vice Director (or his or her parents, spouse or partner, children, siblings, or the spouses of children or siblings) (1) is engaged in an ongoing business or activity that directly, materially and consistently competes with an active program, business interest or activity of the League on a continuing basis, or which engages regularly or periodically in commercial business transactions with the League; and (2) that application of any of the three levels of recusal would be inadequate or insufficient to accomplish the purposes of this Conflict of Interest policy; and (3) that the nature of the conflict of interest is so pervasive and continuous as to render the Board Member or Vice Director ineligible to serve or continue to serve.

*f.  Annual Statements*

Each Board Member and Vice Director shall annually sign a statement which affirms that such person:

(i) Has received a copy of the current conflict of interest policy set forth in this Bylaw;

(ii) Has read the Bylaw;

(iii) Agrees to comply with the disclosure requirements; and

(iv) Acknowledges that the League is a non-profit organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The failure of a Board Member or Vice Director to sign such statement on a timely basis will render that Board Member or Vice Director ineligible to serve or continue to serve.