

Policy: #1023 – Conflict of Interest

SCOPE OF POLICY: Board of Directors

RESPONSIBILITY: Board of Directors, Board President

I. Policy

To provide guidance to the directors of Elkhorn Rural Public Power District (“District”) to avoid conflicts of interest, or any appearance of conflicts of interest.

II. Procedure

- A.** Directors are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses, which obligates or induces them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts, with the best interests of the District in mind. This does not prohibit receiving gifts or favors of nominal value or casual entertainment which meet all standards of applicable Nebraska law, ethical business conduct, and involves no element of concealment.
- B.** The complete confidentiality of business information must be respected at all times. Directors are prohibited from knowingly disclosing such information to those who do not need to know, or whose interest may be adverse to the District both inside or outside the organization; or in any way using such information for personal gain or advancement; or to the detriment of the District unless officially designated to do so.
- C.** Directors are prohibited from acquiring or having a financial interest in any property in which the District acquires a direct or indirect financial interest. Directors are also prohibited from acquiring or having any other interest in or relationship with outside organizations or individuals having business dealings with the District if this interest or relationship might impair the ability of the directors to serve the best interest of the District.

If members of the immediate family of a director or employee have a financial interest in property or in an organization with business dealings with the District, as specified above, such interest shall be fully disclosed to the Board of Directors, which shall decide if such interest should prevent the District from entering into a particular transaction, purchase, or employment of services. The term “immediate family” means children, or their spouses, husband, wife, sister, brother, parents, foster, or step-parents, grandparents, aunts, uncles, mother or father-in-law, sister or brother-in-law, or any relative residing in the District’s directors’ or employees’ households.

- D.** Every director and employee of the District is expected to avoid situations which might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all the circumstances and conditions that might be or have the potential of being considered conflicts of interest and otherwise considered by Nebraska law to be a conflict.
- E.** Actions considered inconsistent with these policies are to be reported to the entire board.