

THE TEXAS STATE HISTORICAL ASSOCIATION

CODE OF ETHICS AND

CONFLICTS OF INTEREST POLICY

for Board and Committee Members, and the Executive Director

I. Purpose

It is imperative to the success of The Texas State Historical Association (TSHA) that there be a fully informed and responsive Executive Director and members of the Board of Directors (Board) and each Committee established by the Bylaws (Committee). To accomplish this end, the Executive Director and Board and Committee members shall conduct themselves at all times in the best interest of TSHA and abide by the following "Code of Ethics and Conflicts of Interest Policy." While no code or set of rules can be framed which will particularize all the duties of the Executive Director and a Board or Committee member, the following policy shall serve as a general guide, with the understanding that the enumeration of particular duties should not be construed as a denial of the existence of others equally imperative, though not specifically mentioned.

II. Conflicts of Interest

A. Financial Interests. The Executive Director and each member of the Board and any Committee shall fully disclose to the TSHA President any and all financial interests involving themselves or one of their family members. The TSHA President will then present the issue to the Board for a vote or decision. If the conflict involves the TSHA President or another member of the Board, such person shall abstain from voting on such matters. "Financial interests" include, but are not limited to:

1. An ownership, investment interest, or compensation arrangement with any entity with which TSHA has a transaction or arrangement;
2. A compensation arrangement with TSHA or with any entity or individual with which TSHA has a transaction or arrangement; or
3. A potential ownership, investment interest, or compensation arrangement with any entity or individual with which TSHA is negotiating a transaction or arrangement, including a commission or fee, share of the proceeds, the prospect of promotion or profit, or any other form of financial reward.

B. Family Relationships. The term "family member" as used herein includes parents, in-laws, children, siblings, spouses, aunts, uncles, nieces, and nephews.

C. Duty to Disclose. In connection with an actual or potential conflict of interest, an interested person must disclose the existence of his financial interest and all material facts to the TSHA President or Committee considering the proposed transaction or arrangement, as applicable.

D. 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, the interested party (if such party is a Board member) shall leave the Board meeting while the determination of a conflict of

interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

E. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the Board meeting, but after such presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest if such person is a member of the Board.

2. The TSHA President or the Board may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Board shall determine whether TSHA can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested members of the Board whether the transaction or arrangement is in TSHA's best interest and for its own benefit and whether the transaction is fair and reasonable to TSHA. TSHA shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

F. Violations of the Conflict of Interest Policy

1. If the TSHA President or the Board has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

G. Recordings and Proceedings. The minutes of the Board shall contain:

1. 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 decision as to whether a conflict of interest in fact existed; and

2. 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 therewith.

III. Gifts

Board and Committee members and the Executive Director may not receive a gift, or a series of gifts, valued at more than \$25 from contractors or businesses who have performed services for TSHA

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within the past 12 months without prior approval of a majority vote of disinterested members of the Board. Board and Committee members and employees of TSHA shall also gain approval by majority vote of disinterested members of the Board to personally employ contractors and businesses which have performed services for TSHA within the past 12 months.

IV. Additional Provisions

A. Board and Committee members and the Executive Director shall put forth their best effort to attend all meetings and constructively participate in the meetings.

B. Board and Committee members and the Executive Director shall be responsible for insuring that adequate and correct information is presented to TSHA's members, donors, and the public.

C. Board and Committee members and the Executive Director shall exercise good judgment in the control and use of confidential information that may from time to time come into their possession. No Board or Committee member or the Executive Director shall use confidential information gained by reason of being a member of the Board or Committee or by reason of being the Executive Director for personal gain to the detriment of TSHA.

D. Each Board or Committee member and the Executive Director shall serve as a public relations agent for TSHA and therefore shall work diligently and properly to promote its goals and objectives while keeping abreast with its overall progress.

E. Except for voting at properly called meetings of the Board or a Committee, Board and Committee members shall refrain from entering into the direct day-to-day administration of a program unless they are doing so upon express authority given to them by Resolution of the Board.

F. The Board shall be charged with the responsibility of reviewing any allegations and taking final action with respect to any Board or Committee member or the Executive Director violating this code or acting in any way which is detrimental to the success of TSHA. The Executive Committee may, at its discretion, and under the same terms as provided herein, act for and on behalf of the Board under this policy, but any final action taken shall be reported to the Board at the succeeding Board meeting.

V. Annual Statement

Each member of the Board and each Committee member who is not a Board member, and the Executive Director, shall annually sign a statement which affirms that such person:

A. Has received a copy of this Code of Ethics and Conflicts of Interest policy;

B. Has read and understands the policy;

C. Has agreed to comply with the policy; and

D. Understands that TSHA is a nonprofit 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.

My signature below indicates my receipt and understanding of this policy and consent to the annual statement for the year _____. I also verify that I have been provided with the opportunity to ask questions about the policy.

Print Name: _____
Title or Position: _____

Date: _____

To be signed by each member of the TSHA Board, each Committee member who is not a member of the Board, and the Executive Director.