TEMPLATE KIT

The Conflict-of-Interest Cycle Kit

What this is	A complete annual declaration cycle: a model policy, four role-specific declaration forms, the reviewer workflow, a roster reconciliation sheet, and the standing board report.
It assumes	A board that meets at least quarterly and a named person who can own the cycle.
Change before use	The reviewer role, your fiscal year dates, and any state-specific requirements your counsel identifies.

Why a cycle, not a policy

Most organizations have a conflict-of-interest policy. Very few operate one. The difference is a cycle: declarations collected every year from everyone the policy covers, reconciled against the current roster so nobody is missed, reviewed by a named person, and reported to the board with a completion rate the minutes record. A policy that sits in the bylaws provides no protection; the operated cycle is what an auditor, an examiner, or opposing counsel finds — or finds missing.

This kit contains everything the cycle needs. Adopt the policy by board resolution, name the reviewer, put the calendar dates in, and run it every January.

Part 1 — Model policy

[Organization name] Conflict of Interest Policy

1. Purpose

This policy protects the organization's interests when it is contemplating a transaction or arrangement that might benefit the private interest of a director, officer, employee, contractor, or volunteer, or that might otherwise compromise the independence of a decision. It supplements, and does not replace, applicable state and federal law.

2. Who is covered

Every director and officer; every employee; every contractor with access to the organization's clients, records, or purchasing decisions; and every volunteer in a position of trust. Each covered person completes the declaration form for their role annually, and updates it within thirty (30) days whenever the facts change.

3. What must be disclosed

Any actual or potential interest — financial or otherwise — in an entity that does business with the organization, seeks to do business with it, or competes with it; any family relationship with another covered person or with a party to a transaction; any position (director, officer, employee, owner) held with such an entity; and any other circumstance a reasonable person would consider capable of influencing the covered person's judgment on the organization's behalf.

4. Procedure when an interest exists

1. The interested person discloses the existence and nature of the interest to the board or committee considering the matter, before deliberation begins.
2. The interested person may answer questions, then leaves the meeting during the deliberation and the vote.
3. The remaining directors determine, by majority vote of the disinterested directors, whether the transaction or arrangement is in the organization's best interest, for its own benefit, and fair and reasonable — and whether a more advantageous arrangement is reasonably obtainable.
4. The minutes record the disclosure, its nature, the recusal, the vote counted without the interested person, and the basis for the determination.

5. Violations

A covered person who fails to disclose an interest is subject to corrective action, up to removal from their role, as the board determines. A transaction entered without the procedure above being followed is reviewed by the disinterested directors as soon as the omission is discovered, and the review is recorded.

6. Annual cycle

Declarations are distributed in the first business week of January, are due by January 31, and cover the prior calendar year plus anything currently known or anticipated. The reviewer reconciles returned forms against the current roster by February 15 and reports the completed cycle to the board at its next regular meeting, including the completion rate by role. The report is recorded in the minutes.

Part 2 — Declaration forms

Four forms, one per role. Each fits on one page. The signer certifies facts; the legal characterization of those facts belongs to the reviewer and, where needed, counsel — which is why the forms ask plain questions rather than using defined legal terms.

Form A — Directors and officers

Annual conflict-of-interest declaration — director / officer. Name: ____ · *Role: · Period covered: calendar year 20* and current circumstances.

1. Do you, or does a member of your family, hold a financial interest or a position (director, officer, employee, owner, partner) in any entity that did business with, sought business from, or competed with the organization during the period? ☐ No ☐ Yes — describe:
2. Did you, or did a member of your family, have any dealing with the organization personally — a sale, a loan, a lease, compensation other than approved director compensation, or any other transaction? ☐ No ☐ Yes — describe:
3. Do you serve on the governing body of any other organization that the organization does business with or may do business with? ☐ No ☐ Yes — name it:
4. Are you aware of any other circumstance a reasonable person might consider capable of influencing your judgment on the organization's behalf? ☐ No ☐ Yes — describe:
5. Have you received and read the conflict-of-interest policy, and do you agree to disclose promptly any interest that arises during the year? ☐ Yes

Signature: ______________________ *Date:* ______

Form B — Employees

Identical questions 1–5, plus:

1. Do you have outside employment, a business, or a contracting relationship that overlaps with the organization's work, its vendors, or its clients? ☐ No ☐ Yes — describe:
2. Do you have a family or household relationship with another employee, a director, a contractor, or a vendor of the organization? ☐ No ☐ Yes — describe:

Form C — Contractors

Questions 1, 2, 4 and 5 from Form A, plus:

1. Do you provide services to any other organization that competes with, does business with, or regulates this organization? ☐ No ☐ Yes — describe (you need not name the other party unless the organization needs the name to manage the conflict):
2. Do you have a financial interest in any vendor the organization uses in connection with your engagement? ☐ No ☐ Yes — describe:

Form D — Volunteers in positions of trust

Questions 1, 4 and 5 from Form A, plus:

1. Do you have an undisclosed relationship with any person or family the organization serves? ☐ No ☐ Yes — disclose to the reviewer directly.

Part 3 — The reviewer workflow

Step	When	What the reviewer does
Distribute	First business week of January	Send the correct form to every covered person, from the roster as of January 1. Record the send date.
Chase	January 20	One reminder to anyone outstanding. Record it.
Close	January 31	Declarations due. Anything outstanding is escalated: employees to their supervisor, directors to the chair.
Reconcile	By February 15	Match returned forms against the current roster, person by person. The reconciliation sheet (Part 4) is the record that nobody was missed.
Review	By February 28	Read every "Yes". For each, record: the facts, whether a conflict exists under the policy, and what management the conflict needs (recusal standing instruction, restructured duty, or none). Refer anything requiring legal characterization to counsel.
Report	Next regular board meeting	The standing report (Part 5) to the board; the minutes record it, including completion rates.
File	On report	Forms and the reconciliation sheet to the governance file, retained per the retention schedule.

Part 4 — Roster reconciliation sheet

One row per covered person. The sheet is complete when no row is blank.

Name	Role	Form	Sent	Returned	Any “Yes”?	Reviewed	Management needed
	Director	A					
	Officer	A					
	Employee	B					
	Contractor	C					
	Volunteer	D					

Part 5 — The standing board report

One page, presented annually, recorded in the minutes. Model language:

> *"The annual conflict-of-interest cycle for calendar year 20__ closed on [date]. Declarations were distributed to [N] covered persons ([N] directors and officers, [N] employees, [N] contractors, [N] volunteers) and [N] were returned, a completion rate of [N]%. [N] declarations disclosed an interest; each was reviewed, and [N] require ongoing management, as follows: [one line per managed conflict — person, interest, management]. The reconciliation sheet and forms are filed in the governance file. [Any outstanding forms and the plan for them.]"*

THE ONE NUMBER A REVIEWER WILL ASK FOR

The completion rate, by role, year over year. An operated cycle produces it automatically. If you cannot state it, the cycle is not being operated — and that fact is discoverable.

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