

Article I. Purpose

The purpose of this policy is to protect the interests of the soil and water conservation district when entering into a transaction or agreement that may benefit the private interests of a soil and water district supervisor. This policy is intended to supplement but not replace any applicable state or federal laws or regulations governing conflicts of interest applicable to Soil and Water Conservation Districts in Tennessee.

Article II. Definitions

1. **Interested Person.** Any supervisor of a soil and water conservation district, who has a financial interest, as defined below, is an interested person.
2. **Financial Interest.** An interested person has a financial interest if:
 - a. The person or their immediate family has ownership or investment interest in any entity with which the soil conservation district has a financial arrangement; or
 - b. A compensation arrangement with the soil conservation district directly, or with any entity with which the soil and water conservation district has a financial arrangement, or
 - c. An ownership or investment interest in, or compensation arrangement with any entity with which the soil and water conservation district is negotiating a financial arrangement.
3. **Immediate Family.** The supervisor's spouse, parents, grandparents, children, grandchildren, brothers, sisters, mother/father in-law, brother/sister in-law, daughter/son in-law. Also includes adopted, half and stepfamily members.

Article III. Procedures

Duty to Disclose. In connection with any actual or potential conflict of interest, an interested person must disclose the existence of the financial arrangement and be given the opportunity to disclose all material facts to the soil and water conservation district board.

Recusal of Self. Any soil and water conservation district supervisor may recuse himself or herself at any time from involvement in any decision or discussion in which the supervisor 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.

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 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.

Procedures for Addressing the Conflict of Interest

An interested person may make a presentation at the board 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.

- The board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the board shall determine whether the district can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction or arrangement is not reasonable possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested supervisors whether the transaction or arrangement is in the district's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the board shall make its decision as to whether to enter into the transaction or arrangement.
- All actions shall be recorded in the official minutes of the board meeting.

Violations of the Conflict of Interest Policy

- If the board has reasonable cause to believe a member has failed to disclose an actual or possible conflict 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.
- If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV. Records and Proceedings

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

- 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.
- 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.

Article V. Annual Statements

Each board member shall sign a statement annually which affirms they:

- Have received a copy of the conflict of interest policy; and
- Have read and understand the policy; and
- Agree to comply with the policy.

Conflict of Interest Policy Approved by the _____ Soil and Water Conservation District Board

Chair: _____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

Submit both pages of this annual statement to the TN Department of Agriculture prior to July 1st each year.