

**Kansas Land Trust, Inc.**  
**Conflict of Interest Policy**

**PREAMBLE**

The effectiveness of the Kansas Land Trust (KLT) depends upon maintaining the highest levels of credibility, confidence, and trust with the communities it serves and all parties with whom it works. It is essential to protect the organization's reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential, and perceived conflicts of interest.

**DEFINITIONS**

**Conflict of interest** arises when a covered person (defined below) is in a position or is perceived to be in a position to benefit financially or to create a benefit to a member of the family or other organization with which such person is associated by virtue of his or her position with KLT.

**Board member** refers to members of the KLT Board of Directors, including all officers.

**Staff** includes the Executive Director and all persons who receive all or part of their income from the payroll of KLT.

**Member of the family** includes children and grandchildren, parents and grandparents, brothers and sisters and their children, and aunts and uncles and their children. If the person is married, the spouse's family members are also included.

**Covered persons** include Board members, officers, and staff of KLT, substantial contributors to KLT, people with access to insider information (defined below) and members of the families of all of the above. This policy applies to all covered persons.

**Insider information** refers to information available to covered persons that is not available to the general public and, if shared with other persons, has the potential to give financial or other advantage to the covered person or those with whom such information is shared.

**I. GENERAL GUIDELINES**

All covered persons shall attempt to avoid any conflict of interest involving their duties to KLT and the interests of any other person, family member, or organization to which they have a duty, or any other activity in which they are financially or otherwise involved. It is expected that covered persons will conduct themselves under strict rules of honesty and fair dealing between themselves and KLT. Covered persons shall not use their position or knowledge gained during their association with KLT for their private benefit nor to obtain an unfair advantage over any aspect of their dealings with KLT.

**II. CONFLICT OF INTEREST**

A covered person may have a conflict of interest with respect to a transaction or arrangement involving KLT when he or she, or any member of his or her family:

- A. has a direct or indirect financial interest in a transaction or project under consideration by the Board of Directors or a committee of KLT, including ownership of real property adjacent to or within view of the real property that is the subject of a transaction under

consideration by KLT, or who benefits by providing services to KLT or who is employed by a business that provides services to KLT in return for a fee or other benefit.

B. proposes to act on any issue, matter, or transaction in which KLT has an interest, and in which the covered person may have an interest separate from or in conflict with that of KLT.

C. appears to be utilizing, for his or her own benefit, inside information that is proprietary to KLT.

D. appears to be acting in his or her own interests rather than the best interests of KLT.

E. gives the appearance that he or she has the ability to exercise undue influence over KLT's decisions, or is receiving favorable treatment by KLT because of his or her status as a covered person.

F. maintains any relationships that raise any reasonable question about whether KLT's purpose in undertaking a given transaction is serving a private interest and not a public benefit.

### **III. OBLIGATIONS OF COVERED PERSONS**

Board members: Board members do not serve for personal financial interest and are not compensated except for reimbursement of expenses when conducting KLT business. If it should become necessary to hire a Board member or member of his or her family, or engage a firm at which a Board member is employed, the full Board shall make such decision only after soliciting bids from others similarly qualified and carefully determining that the final decision is in the best interest of the organization. KLT does not currently accept donated or purchased easements from sitting Board members or KLT employees and will not accept such easements until two years after their Board membership or employment has ended.

All covered persons:

A. A covered person shall promptly and fully disclose all material facts of every actual, potential or perceived conflict of interest:

- Existing at the time when he/she becomes a covered person;
- That arise while s/he is a covered person, at the time such actual or potential conflict arises; and
- Annually through the Conflict of Interest Form, a copy of which is attached hereto.

B. All covered persons shall disclose any actual, potential or perceived conflict of interest he or she may have, involving a transaction or arrangement being considered at a meeting of the Board or a KLT committee, to all members present at such meeting. All other disclosures of an actual, potential or perceived conflict of interest shall be made by a covered person to the KLT President (who shall disclose such information to the Board of Directors). A covered person who is in doubt as to the existence of a conflict of interest is encouraged to disclose all facts pertaining to the transaction or arrangement before undertaking the transaction or arrangement or making any decision in the matter.

C. Every covered person shall absent himself or herself from Board and committee discussions on any issue, matter or transaction involving his or her actual, potential or perceived conflict of interest, unless requested by the Board or committee to give information on the issue, matter, or transaction.

D. Every covered person shall recuse himself or herself from voting on any transaction or arrangement in which he or she has an actual, potential or perceived conflict of interest and shall not be present when any such vote is taken.

#### **IV. PROCEDURES FOR ACTING ON TRANSACTIONS IN WHICH CONFLICT EXISTS**

A. The KLT President shall disclose to the Board all actual, potential or perceived conflicts of interest reported to him or her under this policy. The Board will evaluate the disclosure and the material facts relating to the transaction or arrangement giving rise to the actual, potential or perceived conflict of interest to determine whether an actual conflict of interest exists and may attempt to develop alternatives to remove the conflict from the transaction or arrangement. The Board may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. The secretary will include this determination in the minutes of the meeting.

B. When a transaction, contract, or project of KLT involves an actual, potential, or perceived conflict of interest with a covered person, the Board may approve the relevant transaction, contract, or project, by a majority vote (or two thirds vote, when required) of the disinterested members of the Board only after making specific findings that:

1. The transaction, contract, or project is fair and benefits KLT and its objectives. In any arrangement or transaction involving compensation, remuneration or other economic or financial benefit to the covered person, the Board of Directors relies upon appropriate comparability data, such as an independent appraisal or independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to KLT.
2. The transaction, contract, or project is approved with the Board's full knowledge of its financial or other benefit to the covered person who has the actual, potential or perceived conflict of interest.
3. The covered person did not participate in any vote concerning the transaction, contract, or project and was, in fact, absent both during any discussion of the transaction, contract, or project and when the Board voted on it (provided, however, that any covered person may appear at a meeting to answer questions concerning the transaction or arrangement).
4. A more advantageous arrangement could not have been obtained with reasonable effort.
5. Evidence of these findings should appear in the minutes of the meeting.

C. When warranted by the nature and magnitude of the conflict of interest, the Board may request that a conflicted Board member or member of a KLT committee resign until such time as the matter giving rise to the conflict of interest has been resolved. When, in the opinion of the Board President, the matter has been sufficiently resolved, the director may be invited to rejoin the Board or committee.

D. It shall not be a violation of this policy if all the requirements for formal approval, outlined above, are not satisfied, as long as the transaction or arrangement is in fact fair to KLT, furthers its tax-exempt purposes, and does not result in private inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to

organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**V. Records of Proceedings.**

The minutes of the Board or any KLT committee for any meetings described above shall contain:

- The names of the persons who disclosed an actual, potential or perceived conflict of interest or otherwise were found to have a conflict of interest;
- The nature of the conflict of interest;
- Any action taken to determine whether a conflict of interest was present;
- The Board or committee'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 considered and any comparability data relied upon; and
- A record of any votes taken in connection with the issue, transaction or arrangement.

**KANSAS LAND TRUST, INC.  
CONFLICT OF INTEREST FORM**

This Conflict of Interest Form is to be completed annually by all Kansas Land Trust, Inc. officers, directors, members of committees of the Board of Directors authorized to act on behalf of the Board, executive employees, and any other manager or supervisor identified by the Board of Directors or the President as exercising substantial influence over the operations of the Kansas Land Trust, Inc..

**NAME AND BACKGROUND INFORMATION**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Position with Kansas Land Trust, Inc.: \_\_\_\_\_

**CONFLICT OF INTEREST INFORMATION**

**Investments.** Identify any investments\* that you or a member of your family has or had during the last two (2) years in any organization that has, does, or is likely to provide goods or services to the Kansas Land Trust, Inc.:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

No conflict of interest in this area

\* "Investments" for purposes of this disclosure do not include securities of a publicly traded company if: (a) such securities are less than 5% of the outstanding securities of the publicly traded company, and (b) the fair market value of such securities is less than 5% of the owner's annual gross income.

**Director or Other Services.** Identify any services that you or a member of your family provides or provided with the last five (5) years as a director, partner, principal, manager, employee or consultant to any organization that does, has, or is likely to provide goods or services to the Kansas Land Trust, Inc.:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

No conflict of interest in this area

**Interests in Transactions.** Identify any interest that you or a member of your family or any organization in which you have an interest (e.g., a corporation or partnership) has had in any transaction during the last five (5) years, to which the Kansas Land Trust, Inc. or any related organization, was a party (e.g., loans, sales of goods or services, guarantees).

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No conflict of interest in this area

**Other.** Identify any other circumstances affecting you or members of your family that might appear to involve a conflict of interest, actual, potential, or perceived and any circumstances that could be viewed as use of information relating to the Kansas Land Trust, Inc.'s business for personal profit or advantage.

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No conflict of interest in this area

#### ACKNOWLEDGMENT AND SIGNATURE

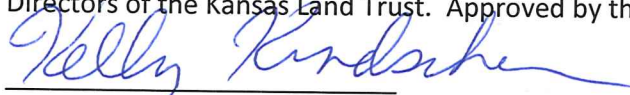
To the best of my knowledge and belief, the above information is true and accurate. I have received a copy of the Kansas Land Trust, Inc.'s Conflict of Interest Policy, which I have read and understand, and I hereby agree to comply with it.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

By \_\_\_\_\_

Print Name: \_\_\_\_\_

This amended policy becomes effective as of August 27, 2013, upon approval of the Board of Directors of the Kansas Land Trust. Approved by the KLT Board of Directors, August, 27, 2013.



Kelly Kindscher, Secretary