

Conflicts/Related Party Transaction* Checklist

- Maintain a master list of the corporation's directors*, officers and key persons* (*note that this list will not be static and will need to be reviewed and updated*).
- Identify the person responsible for maintaining the master list of the corporation's directors*, officers and key persons*
- Analyze and identify who is a key person*
- Identify relatives* of officers, directors* and key persons*
- Identify entities in which officers, directors,* key persons* or their respective relatives* hold a 35% ownership interest, or in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.
- Identify affiliates* of the corporation (transactions, agreements or arrangements with affiliates* of the corporation are subject to the same Related Party Transaction* analysis as transactions, agreements or arrangements directly with the corporation)
- Prepare form for reporting actual or potential Related Party Transactions* or conflicts of interest
- Prepare worksheet(s) that provides framework for assessing alternative transactions and use it each time a Related Party Transaction* needs to be considered
- Prepare checklist for information to be contained in minutes of Board* or Board* committee meeting where Related Party Transaction* is considered
- Prepare policy on what constitutes a de minimis transaction and review annually. Board* vote to adopt revised policy if necessary.
- Prepare Annual Disclosure Form and review for any changes from previous year. Per the Revitalization Act, the form must be provided to the Secretary or Compliance Officer who will provide a copy of all completed statements to the chair of the audit committee, or if there is no audit committee, to the chair of the Board*. (Note that written disclosure must also be made prior to initial election and when any potential conflict/Related Party Transaction* arises.)
- Note that a Related Party Transaction* must be approved by not less than a majority vote of the directors* or Board* committee members present at the meeting. Also note that Board* or Board* committee members who are not present at the time of the vote due to a conflict or Related Party Transaction* are considered to be present at the time of the vote for purposes of quorum and determining the number of directors* that constitutes the majority vote needed to approve the Related Party Transaction.*

*Note that these terms have specific, detailed, mandatory definitions in the Not-for-Profit Corporation Law.

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