

ATTACHMENT – 3 EIN #41-2213255

BAIT UL MAL PACIFIC NORTHWEST

CONFLICT OF INTEREST POLICY

**Article I
Purpose**

The purpose of the conflict of interest policy is to protect the Bait ul Mal Pacific Northwest's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Bait ul Mal or might result in a possible excess benefit transaction. The policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

**Article II
Definitions**

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investments, or family:

- a. An ownership or investment interest in any entity with which the Bait ul Mal has a transaction or arrangement,
- b. A compensation arrangement with the Bait ul Mal or with any entity or individual with which the Bait ul Mal has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Bait ul Mal is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

**Article III
Procedures**

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. 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 governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Violations of the Conflict of Interest Policy

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

Article IV Records of proceedings

The members of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. 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 Compensation

There shall be no compensation approved or paid to any member of the governing board or any member of board designated committee of Bait ul Mal while serving his or her elected term.

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Bait ul Mal is a charitable trust and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure that the Bait ul Mal operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic review shall be conducted.

THIS CONFLICT OF INTEREST POLICY OF BAIT UL MAL PACIFIC NORTHWEST WAS VOTED AND UNANIMOUSLY ADOPTED BY THE FOUNDERS ON MARCH 14, 2007.