Conflict-of-Interest Policy for Related-Party Vendors (Hospitality)

Template — not legal or financial advice. State corporate, nonprofit, and public-ethics laws, your governing documents, loan covenants, and (for public bodies) procurement rules may set stricter requirements. Counsel should review before adoption.

Organization: _____ Adopted on: _____ Next review: _____

1. Why this policy exists

Hospitality boards often include owners, family members, operators, and local business people who also sell goods and services to the business: construction, design, furniture and equipment, food and beverage supply, linen, insurance, brokerage, technology, marketing, and financing. Those relationships can be valuable. This policy makes sure they are disclosed, priced fairly, and approved by people without an interest.

2. Who is covered

Directors, officers, members of board committees, [owners with more than __% interest], and key managers, together with their **related persons**: spouses or partners, children, parents, siblings, and any business in which any of them has a financial interest or a governing role.

3. What counts as a related-party transaction

Any contract, purchase, lease, loan, or arrangement between the organization (or a property it owns or manages) and a covered person or related person, including through an operator or management company, above [amount per year] or of any amount if it is outside the ordinary course.

Also disclose: ownership or advisory roles in a competing property or a competitive-set hotel; roles with the brand, operator, or lender; and gifts or hospitality from vendors above [amount].

4. Disclosure

- **Annually:** every covered person completes the disclosure questionnaire (Section 9).
- **When it arises:** disclose in writing to the Chair [and counsel] before the organization commits, and again at the start of the meeting where the matter is discussed.

5. Recusal and approval

- The interested person does not vote and leaves the discussion unless the board asks them to answer factual questions first.
- The transaction is approved only by a majority of the disinterested directors [or the designated committee].
- The board receives evidence of fairness: competitive bids, market comparisons, or an independent review.
- Approval is recorded with the names of those recused and the evidence relied on.

6. Operator-affiliated vendors

Where a management company or brand uses its own affiliates (purchasing, insurance, technology, design), management will report annually: the affiliates used, total paid, how pricing compares with alternatives, and any rebates or fees the operator receives.

7. Public and destination organizations

If the organization receives public funds or assessments, also follow any procurement, ethics, or disclosure law that applies, and publish disclosures where the law or funding agreement requires.

8. Violations

Failure to disclose may lead to [removal from the committee, request to resign, termination of the contract, or other action under the bylaws].

9. Annual disclosure questionnaire

Question	Answer
Name and role	
Businesses in which you or a related person hold an interest or governing role	
Do any of them sell to, buy from, lend to, or compete with the organization or its properties?	
Roles with the operator, brand, lender, or a competitive-set property	
Gifts or hospitality from vendors above the threshold in the last 12 months	
Anything else the board should know	

Signature: _____ Date: _____

10. Related-party register (kept by the secretary)

Date	Person	Counterparty	Nature of interest	Amount	Approved by (disinterested)	Recused	Evidence

Related: Conflict-of-interest policy guide (https://preparedboard.com/guides/conflict-of-interest-policy) · Recusal record (https://preparedboard.com/templates/recusal-record) · Hospitality board governance (https://preparedboard.com/guides/hospitality-board-governance).

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