

# **Boyce Middle School Parent Teacher Organization**

## **Conflict of Interest Policy**

### **ARTICLE I: PURPOSE**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or a chairperson, of a standing or special committee of the organization. This 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**

#### Section 1: Interested Person

Any officer, or chairperson of a standing or special committee, who has a direct or indirect financial interest, as defined below, is an interested person.

#### Section 2: Financial Interest

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

- A. An ownership or investment in any entity with which the organization has a transaction or agreement
- B. A compensation arrangement with the organization or with the entity or individual with which the organization 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 organization is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has financial interest may have a conflict of interest only if the Board or committee chairperson decides that a conflict or interest exists.

### **ARTICLE III: PROCEDURES**

#### Section 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 be given the opportunity to disclose all material facts to the Board members.

#### Section 2: Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interest person, he/she shall leave the Board meeting, if present, while the determination of conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

#### Section 3: Procedures for Addressing the Conflict of Interest

- A. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting, if present, during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- B. The President of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the Board shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or agreement from a person or entity that would not give rise to a conflict of interest.
- D. 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 Board members whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### Section 4: Violations of the Conflicts of Interest Policy

- A. If the Board or a chairperson of a standing or special committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, the board 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 Board members determine the member has failed to disclose an actual or possible conflict or interest, the board shall take appropriate disciplinary and corrective action.

### **ARTICLE IV: RECORDS OF PROCEEDINGS**

The minutes of the Board shall contain:

- A. The names of the persons who disclosed or otherwise was 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.
- 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: ANNUAL STATEMENTS**

This policy should be reviewed and updated, if needed, at minimum every three years to correspond with the review of the organization's bylaws.

The Executive Board of the Boyce PTO, pursuant to its authority under the PTO Bylaws, has adopted the foregoing Conflict of Interest Policy.

Signature of the President: Regina Swanson

Date: May 11, 2020