

# THE ROOSEVELT HIGH SCHOOL FOUNDATION CONFLICT OF INTEREST POLICY

## I. Purposes

The Roosevelt High School Foundation (hereinafter “TRHSF”) adopted this Conflict of Interest Policy to serve multiple purposes:

1. As a nonprofit organization, TRHSF is accountable to both government agencies and members of the public for responsible and proper use of its resources.
2. Board Members, employees, and members of committees have a duty to act in TRHSF’s best interests and may not use their positions for their own financial or personal benefit.
3. Conflicts of interest can expose both TRHSF and affiliated individuals to legal liability if not handled appropriately.
4. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for, and public trust in, TRHSF.

## II. Definitions

### 1. Definition of “Interested Person”

Any Board Member, employee, or member of a committee who has a direct or indirect financial interest, as defined below, is an “*interested person*.”

### 2. Definition of “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 interest in any entity with which TRHSF has a transaction or arrangement;
- (b) A compensation arrangement with TRHSF or with any individual or entity with which TRHSF has a transaction or arrangement; and/or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any individual or entity with which TRHSF is negotiating a transaction or arrangement.

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

3. **Definition of “Compensation”**

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

**III. Process**

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 considering the proposed transaction or arrangement.

2. **Procedures for Addressing the Conflict of Interest**

- (a) An interested person may make a presentation at the Board meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The President of the Board may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After there has been disclosure of a potential conflict and after gathering any relevant information from the interested person, the Board shall determine whether there is a conflict of interest. In determining whether a conflict of interest exists, the Board shall consider whether the potential conflict of interest would cause the transaction or arrangement entered into by TRHSF to raise questions of bias, inappropriate use of TRHSF’s assets, or any other impropriety.
- (d) The Board shall determine whether TRHSF can obtain with reasonable efforts a more advantageous transaction or arrangement from an individual or entity that would not give rise to a conflict of interest.
- (e) If, under (d) directly above, a more advantageous transaction or arrangement without producing a conflict of interest is not possible, the Board shall determine by a majority vote of the disinterested Board Members whether the transaction or arrangement is in TRHSF’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board shall make its decision as to whether or not to enter into the transaction or arrangement.

### 3. **Violations of the Conflict of Interest Policy**

If the Board has reasonable cause to believe an interested person failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board determines the interested person failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **IV. Minutes**

The minutes of the Board shall contain:

1. The name of the person who disclosed or otherwise was found to have a financial interest in connection with an actual or possible conflict of interest;
2. The nature of the financial interest;
3. 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;
4. The names of the persons who were present for discussions and votes relating to the transaction or arrangement;
5. The content of the discussion, including any alternatives to the proposed transaction or arrangement; and
6. A record of any votes taken in connection with the proceedings.

## **V. Annual Statement**

Each Board Member, employee, and member of a committee shall annually sign a statement which affirms such person has:

1. Received a copy of the Conflicts of Interest policy;
2. Read and understands the Policy;
3. Agreed to comply with the Policy; and
4. Understood that TRHSF is a charitable organization, and in order to maintain its federal tax exemption, TRHSF must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## VI. Periodic Reviews

To ensure TRHSF operates in a manner consistent with charitable purposes, and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with other persons or entities conform to TRHSF's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in impermissible private benefit or in an excess benefit transaction.
3. Board Members, employees, and members of committees shall review, fill in as appropriate, and execute the attached form annually.

## VII. Use of Outside Experts

To comply with this Conflict of Interest policy, TRHSF may employ outside experts, such as accountants, lawyers, and other professional advisors. If outside experts are used, their use shall not relieve the Board of its overall responsibility for ensuring compliance with this Conflict of Interest Policy.

## VIII. Amendments to this Policy

This Conflict of Interest Policy may be amended, but only by a vote after due deliberation by the Board at a meeting held with proper notice, including notice this Policy is to be discussed.

**Policy approved by The Roosevelt High School Foundation on:**

\_\_\_\_\_.  
[date]

Signature: \_\_\_\_\_

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

Title: \_\_\_\_\_

## **CONFLICT OF INTEREST ACKNOWLEDGMENT AND DISCLOSURE**

I have read the Conflict of Interest Policy set forth above and agree to comply fully with its terms and conditions at all times during my service to The Roosevelt High School Foundation. If at any time following the submission of this form, I become aware of any actual or potential conflicts of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify The Roosevelt High School Foundation in writing.

### **Disclosure of Actual or Potential Conflicts of Interest:**

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I acknowledge and agree that my selection for service to The Roosevelt High School Foundation and the opportunities made available to me by serving The Roosevelt High School Foundation constitute good and valuable consideration for entering into this agreement, the receipt and sufficiency of which I hereby acknowledge.

### **In my individual capacity:**

Signature: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_