

CONFLICTS OF INTEREST POLICY

Purpose

The Board of Governors shall monitor the transactions between the corporation and insiders to ensure that any transaction between the corporation and an insider that is a conflict of interest is fair to the corporation and does not grant excessive benefit to the insider. The purposes of this policy are to ensure that governors and officers act loyally to the corporation and that governors, officers and those who exercise substantial influence over the corporation do not use their influence to obtain benefits in excess of fair market value in transactions with the corporation. This policy seeks to ensure that the corporation observes both state and federal laws concerning conflicts and excess benefits transactions.

SECTION 1: DEFINITIONS OF INSIDER AND CONFLICT OF INTEREST

For purposes of this policy, “insider” has the same meaning as “disqualified person” under the Internal Revenue Code, 26 USC §4958. The current IRS definition is explained in #1 through #4 below and will need to be updated if the IRS definition changes. In addition, the individuals and entities described in #5 and #6 below are also considered insiders.

1. An insider is any person who is in a position of authority over this corporation or who exerts substantial influence over this corporation, including governors, officers, top management official, top financial official, other key employees, the founders and major donors.
2. Family members of insiders are also insiders. Family members include the spouse or partner in a civil union recognized by state law; children, grandchildren, great-grandchildren, whole and halfblooded brothers and sisters, and spouses of any of these people; and any ancestors (parents, grandparents, etc.)
3. Corporations in which an insider owns more than 35% of the voting power, partnerships in which the insider owns more than 35% of the profits and trusts or estates in which the insider owns more than 35% of the beneficial interest are insiders.
4. An insider who becomes an insider by virtue of #1 through #3 above remains an insider for five years after his or her influence over this corporation ends.
5. An entity in which an insider described in #1 above has a material interest or is a general partner, governor, officer, top management official, top financial official or other key employee is an insider.
6. An insider is any other for-profit or nonprofit entity in which a governor of this corporation is a governor or officer and the entity and this corporation are parties to a transaction that is or should be considered by the boards of both corporations. For purposes of this policy, a “conflict of interest” arises when an insider described in #1 above may benefit financially from a decision he or she could make in his or her capacity as an insider, including indirect benefits to family members or businesses with which the insider is closely associated. A conflict of interest arises in any transaction between the corporation and an insider, except for (1) transactions in the normal course of operations that are available to the general public under similar terms and circumstances, and (2) expense reimbursements to an insider made pursuant to an accountable plan under IRS Reg. 1.62-2(c)(2).

SECTION 2: PROCEDURE

In order to ensure that transactions with insiders are fair to the corporation and comply with state and federal laws:

1. All insiders must promptly and fully disclose all material facts of every actual or potential conflict of interest to the Board of Governors at the time such conflict arises.
2. When the corporation engages in a transaction with an insider that constitutes a conflict of interest, the Board shall handle the transaction as follows:
 - (a) The Board shall exclude any insider that has a conflict of interest with respect to the transaction from all discussion and from voting on the transaction. The Board may ask questions of the insider prior to beginning its discussion.

SECTION 3: COMPLIANCE WITH THIS POLICY

In order to ensure compliance with this policy:

1. On an annual basis, the Secretary of the corporation or the Secretary's designee shall develop and maintain a list of insiders who engage in or are reasonably likely to engage in transactions that constitute conflicts of interest with the corporation during the year.
2. The officers, governors and key employees shall each year disclose interests that could give rise to a conflict of interest under this policy. Such disclosure shall be made on a Disclosure and Acknowledgment form similar to the one attached to this policy and shall be filed with the Secretary or the Secretary's designee.
3. The Secretary or the Secretary's designee shall monitor and enforce compliance with this policy by reviewing the list of insiders and the Disclosure and Acknowledgment forms each year and by bringing potential or actual conflicts to the attention of the President of the Board. The President shall disclose conflicts to the Board as they arise and ensure that the procedures in this policy are followed.
4. The Secretary or the Secretary's designee shall convey the list of insiders identified above to the Executive Governor and shall instruct the Executive Director to notify the Board if the Executive Director or any employee plans to engage in a transaction with an insider that constitutes a conflict of interest, including payment or reimbursement for business or travel expenses of the insider and/or members of the insider's family not made pursuant to an accountable plan under IRS Reg. 1.62-2(c)(2). If so, the Board shall monitor the transaction to ensure that it complies with the procedure in Section 2 above.

SECTION 4: DELEGATION TO COMMITTEE

The Board may delegate its responsibilities under this policy to a committee of the Board. The committee shall comply with this policy and shall report its decision to the Board in a timely fashion.

DATE ADOPTED: February 25, 2016

ANNUAL QUESTIONNAIRE

CONFLICTS OF INTEREST POLICY DISCLOSURE AND ACKNOWLEDGMENT STATEMENT

[Each Governor, Officer and Key Employee should sign and submit this form annually.]

Disclosure

Please report below any conflicts of interest or potential conflicts of interest between our corporation and you, a family member or a business or corporation with which you are connected within the meaning of the Conflicts of Interest Policy. You have an ongoing obligation to notify the Board promptly of any such conflicts of interest that subsequently arise. List of Conflicts or Potential Conflicts Please list and explain any conflicts here:

Acknowledgment

I have received, read, understand and will comply with the Conflicts of Interest Policy of this corporation. I affirm that, other than the interests reported, I am aware of no conflicts of interest that I have or may have within the meaning of the Conflicts of Interest Policy.

Signature

Title

Print Name

DATE: _____

Please submit this form to the Secretary of the corporation and retain a copy for your records.

Conflicts:

Click or tap here to enter text.