

Allendale Parent & Booster Organizations / Allendale Boosters

Affiliate/Subordinate Organization Name: _____

Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect the organization's interest when it is contemplating a transaction or arrangement that might benefit the personal financial interest of a covered person or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace laws governing conflicts of interest applicable to nonprofit and charitable organizations. As used in this policy,

- (a) the term "*covered person*" means a BOARD Director, officer, or member of a committee;
- (b) the term "*committee*" means a committee of the Board of Directors, but only a committee that has authority to take action on behalf of the Board, and not a committee that is merely advisory to the Board;
- (c) the term "*interested person*" means a covered person who has disclosed a financial interest in a proposed transaction or arrangement; and
- (d) the term "*financial interest*" includes indirect interests through business, investment, nonprofit, and family relationships.

1. *Duty to disclose.* A covered person who has any financial interest in a proposed transaction or arrangement must disclose the interest, and including all material facts and circumstances, to the Board or to the committee that is considering the transaction or arrangement.

2. *Decision regarding further action.* After the disclosure, and after such further discussion with the interested person and investigation of the facts and circumstances as may be necessary or appropriate, if it is determined that the board member/ interested person will realize a financial gain as a result, they are excluded from the ability to bid on such board determined purchase, transaction or arrangement.

3. *Violations.* If the Board or a committee has reason to believe that a covered person has failed to disclose a financial interest in a proposed transaction or arrangement, the Board or committee shall inform the person of the reason for the belief and provide the person with an opportunity to explain the alleged failure to disclose. After considering the explanation and making such further investigation as may be necessary or appropriate, if the Board or committee determines that the person has failed to disclose a financial interest, the Board or committee shall take appropriate disciplinary and corrective action.

4. *Records of proceedings.* The minutes of the Board and all committees must include a record of all disclosures and related actions under this policy, including

- (a) the names of the persons who disclosed or otherwise were found to have a financial interest in a proposed transaction or arrangement, the nature of the financial interest, the discussions regarding the matter, including alternatives to the proposed transaction or arrangement, and the action taken in response, and
- (b) the names of the persons who were present for discussions and votes relating to the matter.

5. *Periodic reviews.* The Board or a committee shall periodically review transactions and arrangements with Directors and officers, and relationships with other organizations, to ensure that the transactions, arrangements, and relationships are consistent with the organization's tax-exempt purposes and do not jeopardize the organization's tax-exempt status.

Affiliate Group President Signature: _____