



Alpha Delta State Ohio Educational Foundation (ADSOEF)

CONFLICT OF INTEREST POLICY

GOVERNING POLICY

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I. PURPOSE

The Board of Directors (hereinafter referred to as the Board) protects the interests of ADSOEF when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an ADSOEF member (hereinafter referred to as Affected Member). This policy is intended to supplement not replace any applicable state and federal laws governing conflicts of interest applicable to non-profit and charitable organizations.

II. CONFLICT OF INTEREST

A conflict of interest may arise when a member or a family member (refer to Topic IV) enters into or proposes to enter into, has direct or indirect interest in, or has a relationship with an individual or organization which enters into or proposes to enter into any transaction with ADSOEF. Transactions may include but are not limited to the following:

- the sale, purchase, lease rental or other transfer of any property or other asset;
- employment, or rendition of services, personal or otherwise;
- the award of contract or subcontract, for example, to a vendor;
- a partnership, joint venture or other similar transaction or arrangement; and/or
- position on a philanthropic committee when the award applicant is personally known to the Affected Member.

III. DIRECT OR INDIRECT INTEREST

A “direct or indirect interest” includes actual or potential

- ownership or control, directly or indirectly, of the voting interests or securities, or the beneficial interests of ADSOEF;
- power to control, directly or indirectly, the election of a majority of ADSOEF's directors;
- service to another organization or corporation as a director, officer, manager, executor, administrator, trustee, employee, independent contractor, consultant, volunteer or other similar position; and/or
- compensation arrangements including direct or indirect remuneration and/or substantial gifts or favors.

IV. FAMILY MEMBER

The term "family member" includes an individual's spouse, partner, ancestors, children, grandchildren, great grandchildren, siblings (whether or not by adoption), and the spouses or partners of the foregoing.

V. DUTY TO SELF-DISCLOSE

Regarding any actual or possible conflict of interest, an Affected Member shall disclose to the Board the existence of such conflict of interest, together with all material facts with respect to such conflict of interest.

VI. DUTY TO DISCLOSE CONFLICTS OF OTHERS

If a member becomes aware of an actual or possible conflict of interest involving another member, such member shall disclose to a Director of the Board the possible existence of a conflict of interest, together with all known facts. Any such disclosure may be made anonymously.

VII. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

A. The Board, excluding any Affected Member, shall evaluate the actual or possible conflict of interest. Such evaluation shall include analysis of material facts as to the relationship or interest and as to the transaction or arrangement. This evaluation may include obtaining, in writing or by discussion, additional information from the Affected Member. The Affected Member may make a presentation to the Board; however, the Affected Member shall be prohibited from providing the Board with her evaluation of the actual or possible conflict of interest. Except for discussion to provide factual information, the Affected Member shall not be present for any discussion by the Board, or for the vote on the transaction or arrangement involving the actual or possible conflict of interest. The Board may appoint a committee to evaluate any such actual or possible conflict of interest and this committee shall report findings to the Board.

B. After completion of the process described in Topic VII. A., the Board shall determine whether ADSOEF can obtain, with reasonable effort, a more advantageous transaction or arrangement from a person or entity without giving rise to a conflict of interest.

C. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine, in good faith with due care, whether the transaction or arrangement is in ADSOEF's best interest and is fair and reasonable to ADSOEF.

D. If the disinterested members of the Board determine that the transaction or arrangement is in ADSOEF's best interest and is fair and reasonable to ADSOEF, the disinterested members of the Board shall proceed to majority vote to decide whether to enter into or continue the transaction or arrangement.

VIII. DISCOVERY OF CONFLICT OF INTEREST; DISCIPLINARY ACTION

If the Board learns or has reasonable cause to believe that a member has failed to disclose an actual or possible conflict of interest, the Board shall notify the Affected Member in writing of the basis for such belief and give the Affected Member an opportunity to explain the alleged failure to disclose. If, after receiving the response of the Affected Member, and making such further investigation as may be warranted by the circumstances, the Board determines that the Affected Member has in fact failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

IX. ANNUAL AFFIRMATION

Each member of the Board, and all members of committees with powers delegated by the Board, shall sign a statement annually confirming that such person

- has received a copy of this Conflict of Interest Policy;
- has read and understands the Conflict of Interest Policy;
- has complied and agrees to comply in the future with the Conflict of Interest Policy; and
- understands that ADSOEF is a charitable organization and that in order to maintain its tax-exempt status it must engage primarily in activities that accomplish one or more tax-exempt purposes.

X. PERIODIC REVIEWS

To ensure that ADSOEF operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its federal tax-exempt status, the Board shall conduct annual reviews of the Conflict of Interest Policy and signing of the Affirmation page.

XI. OUTSIDE EXPERTS

In conducting the periodic reviews provided for in Topic X, ADSOEF may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring the periodic reviews are conducted.

Alpha Delta State Ohio Educational Foundation

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Annual Affirmation

Name of Responsible Person: _____

Date: _____

Please describe below any relationships, positions or circumstances in which you are or may foreseeably be involved that you believe could contribute to a Conflict of Interest as defined in the above policy.

I hereby certify that information set forth is true and complete to the best of my knowledge. I have reviewed and agree to abide by the Conflict of Interest Policy of Alpha Delta State Ohio Educational Foundation that is currently in effect.

Signature: _____

Date: _____