**NAME OF CORPORATION**

**Conflict of Interest Policy**

**Date of Adoption**

**Date of Last Update *(If Applicable)***

**Article I**

**Statement of Policy**

Name of Corporation (the “Corporation”) has adopted the Conflict of Interest Policy set forth herein (the “Policy”) to deal with conflicts of interest and related party transactions.

The circumstances that constitute a “conflict of interest” are any that would cause a reasonable person to suspect that the actions of the person presenting the conflict are not based entirely on what is best for the corporation, and may in fact be in the interests of the actor or the actor’s interest.

Examples of such circumstances include but are not limited to:

* Hiring or supervising family
* Voting to take an action that would directly benefit a relative, even if no money is involved (an endorsement or sponsorship)
* Accepting a benefit incident to an action of the corporation, even if not a condition of such action

To assure no corporate action may be invalidated or questioned based on a conflict of interest, conflicts must be ruled out by following the below procedure for annual disclosure. Upon the emergence of a real or potential conflict, the disclosure must be updated immediately, and if appropriate, the person with the conflict must recuse themselves from any relate decision- making.

To promote a culture of integrity and compliance, just as important as avoiding a conflict of interest is avoiding the appearance of such conflicts. This can often be accomplished simply by taking affirmative steps to assure observers that the person with the potential conflict does not in fact have one or will not influence related decision making, and making sure the clarification is noted on the record.

Further, the Corporation will not enter into any “related party transaction” (as defined below) unless the transaction is determined by the Corporation’s Board of Directors (the “Board”), or an authorized committee thereof, to be fair and reasonable and in the best interest of the Corporation at the time of such transaction.

Such determination will be made in accordance with the procedures set forth below. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to charitable organizations.

**Article II**

**Definitions**

As used in this Policy, the term

1. “Affiliate” means any entity controlled by, in control of, or under common control with the Corporation.
2. A “conflict of interest” is any set of circumstances that would cause a reasonable person to suspect that the actions of the person under consideration are not based entirely on what is best for the corporation, and may in fact be in the interests of the actor or the actor’s relatives.
3. “Key Person” means any person, other than a director or officer, whether or not an person of the corporation, who (i) has responsibilities, or exercises powers or influence over the corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;  (ii) manages the corporation, or a segment of the corporation that represents a substantial portion of the activities, assets, income or expenses of the corporation;  or (iii) alone or with others controls or determines a substantial portion of the corporation’s capital expenditures or operating budget.
4. “Relative” of an individual means such individual’s spouse or domestic partner (as defined in Section 2994a of the Public Health Law), ancestors, brothers and sisters (whether of the whole or half-blood), children (whether natural or adopted), grandchildren, great- grandchildren, and the spouses of his or her brothers, sisters, children, grandchildren and great- grandchildren.
5. “Related party” means (a) any director, officer or key person of the Corporation or any affiliate of the corporation, (b) any relative of any director, officer or key person of the Corporation, or (c) any entity in which any individual described in the preceding clauses (a) and (b) has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.
6. “Related party transaction” means any transaction, agreement or other arrangement in which a related party has a financial interest and in which the Corporation or any affiliate of the Corporation is a participant. A “related party transaction” is a conflict of interest with express fiscal parameters and precise statutory requirements, but is not the only form a conflict of interest can take.

**Article III**

**Duty to Disclose**

Any director, officer or key person of the Corporation who has knowledge of a transaction involving the Corporation or an affiliate of the Corporation which is a conflict of interest or a related party transaction, or knowledge of a contemplated transaction involving the Corporation or an affiliate of the Corporation which, if entered into, would constitute a related party transaction, shall disclose the material facts concerning such transaction or contemplated transaction to the Board or a designated Committee of the Board, or shall make the disclosure at a meeting of the Board, ensuring it is duly recorded in the minutes. If it is determined that a conflict of interest exists, the person with the conflict may present background or answer questions prior to deliberations, but must not be present for a vote nor participate in deliberations. Under no circumstances may the person with a conflict attempt to influence the deliberation or voting.

**Article IV**

**Procedures for Addressing the Related Party Transaction or Conflict of Interest**

Upon learning of a contemplated transaction which, if entered into, would constitute a related party transaction, the Corporation shall proceed as follows:

1. The Board or a designated Committee of the Board shall determine whether a related party has a substantial financial interest in the contemplated transaction. If the Board or a designated Committee of the Board determines that no related party has a substantial financial interest in the contemplated transaction, the Board or a designated Committee of the Board advise its findings and the basis for such findings. Upon receipt of the report of the Board or a designated Committee of the Board and completion of such further due diligence as the Board may find necessary, the Board may authorize the Corporation to enter into the contemplated transaction provided the Board determines the transaction is fair and reasonable and in the best interest of the Corporation.
2. If the Board or a designated Committee of the Board determines that a related party has a substantial financial interest in the contemplated transaction, the Committee shall determine whether or not the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that is not a related party and shall advise the Board of its findings and the basis for such findings. Upon receipt of the report of the Board or a designated Committee of the Board and completion of such further due diligence as the Board may find necessary, if the Board determines that a more advantageous transaction or arrangement is not reasonably possible, the Board may authorize the Corporation to enter into the contemplated transaction provided the Board determines the transaction is fair and reasonable and in the best interest of the Corporation.
3. Any action permitted or required under this Article IV may be taken by the affirmative vote of a majority of the directors present at the meeting of the Board or a designated Committee of the Board at which such vote is taken provided there is a quorum present at such meeting.
4. A person who is a related party in a particular related party transaction under consideration by the Board or a designated Committee of the Board may not (a) participate in the deliberations or voting of the Board or a designated Committee of the Board with respect to such transaction or (b) attempt to influence improperly the deliberations or voting on the matter. However, the Board or a designated Committee of the Board may request that a related party provide information concerning such transaction at a meeting of the Board or a designated Committee of the Board prior to the commencement of deliberation or voting.

Upon learning of potential conflict of interest, other than a related party transaction, the Corporation shall proceed as follows:

1. The Board or a designated Committee of the Board shall determine whether the disclosed circumstances pose a conflict of interest, or the appearance of one. If the Committee determines that there is a risk or appearance of conflict, it shall direct appropriate steps to remove the conflict, including but not limited to: recusal from a vote, removal from decision-making authority, removal (limited the circumstances at hand) of contract signing authority, etc., from the director or key person with the conflict. In no event shall the remedy be portrayed or recorded as punitive.

**Article V**

**Records of Proceedings Related to Conflicts of Interest and Related Party Transactions**

The minutes of the Board or a designated Committee of the Board, as appropriate, shall contain:

1. The names of the persons who disclosed or otherwise were found to have a conflict of interest or a financial interest in connection with a related party transaction, the nature and extent of the circumstances and/or financial interest, any investigation done by the Board or a designated Committee of the Board , as the case may be, with respect to the nature and extent of such financial interest, any examination of alternatives to the contemplated transaction, and the recommendations or decisions of the Board or a designated Committee of the Board with respect to such matters.
2. The names of the persons who were present for discussions and votes relating to the transaction, the content of the discussion with respect thereto, and a record of any votes taken in connection with the proceedings.

**Article VI**

**Procedure to Address Violations of the Policy**

1. If the Board has reasonable cause to believe a director, officer or key person has failed to disclose a conflict of interest or an interest in a related party transaction as required by this Policy, it shall inform such person of the basis for such belief and afford them an opportunity to explain the alleged failure to disclose. If, after hearing such person’s response and after making further investigation as warranted by the circumstances, the Board determines such person has failed to make proper disclosure, it shall take appropriate disciplinary and corrective action, which may include removal from office or discharge from employment.
2. In the event a director, officer or key person of the Corporation shall fail to sign and submit the annual statement required under Article VII of this Policy in a timely manner, the Board shall take such disciplinary action as it may deem appropriate, including removal from office or discharge from employment.

**Article VII**

**Annual Statements**

Each director, officer, and key person of the Corporation shall, at the annual meeting and before appointment, sign and submit to the Secretary of the Corporation a written statement which:

1. Affirms (a) such person has received a copy of the Policy, (b) has read and understands the Policy, (c) agrees to comply with the policy, and (d) understands the Corporation is charitable and, in order to maintain its federal tax exemption, must operate for the benefit of public rather than private interests.
2. Identifies to the best of such person’s knowledge (a) any entity of which such person is a director, officer, trustee, member, owner (whether sole proprietor or partner) or key person and with which the Corporation or any affiliate of the Corporation has a relationship, and (b) any transaction in which the Corporation is a participant and in which such person has a conflicting interest.

The form shall be appended to this document as “Appendix A.”

The Secretary of the Corporation shall provide a copy of all completed statements to the chair of the audit committee or, if there is no audit committee, to the chair of the board.

**Article VIII**

**New Appointments**

Prior to an initial appointment as a director, officer, or key person, each shall sign and submit to the Secretary of the Corporation a written statement which satisfies the requirements of Article VII above.

**Article IX**

**Periodic Reviews**

To ensure the Corporation 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 management organizations conform to the Corporation’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article X**

**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article IX, the Corporation may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**—Annual Potential Conflicts Disclosure Statement—**

As a Director or Officer or Key Person of the Corporation, prior to appointment with the Corporation, and annually thereafter, you are required to truthfully, completely, and accurately disclose all information requested herein and to promptly update all such information as circumstances may change from time-to-time.

**—Certification—**

The undersigned hereby certifies that he or she (a) has received a copy of the Corporation’s Conflict of Interest Policy, (b) has read and understands the Policy, (d) agrees to comply with the Policy, (d) understands that the Corporation is a charitable organization and that in order to acquire and maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its charitable purposes, (e) agrees to disclose any actual or potential Conflict of Interest or Related Party Transaction whenever he or she becomes aware of it, and (f) to his or her knowledge, does not have any actual or potential Conflict of Interest or Related Party Transaction under this Policy except as follows (attach additional pages if necessary):

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Name

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Signature

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Date