



Conflict of Interest Policy

I. PURPOSE AND OVERVIEW

Administrators, directors, and officers of Fiddlehead School (“the School”) have an obligation to carry out their responsibilities within guidelines that minimize and make transparent actual or potential Conflicts of Interest. This Conflict of Interest Policy establishes an ethical framework of transparency within which the School wishes to conduct its affairs. The purpose of this Policy is to provide general direction so that administrators, directors, and officers will be aware of and comply with their obligations. It is also intended to protect the School’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the School. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

II. DEFINITIONS

A. Interested Person

Any current or recent (within the past 12 months) director, officer, or administrator (the Executive Director and any other employee having management responsibilities) of the Corporation is an Interested Person.

B. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest, other than de minimis, in any entity with which the School has a transaction or arrangement,
2. A compensation arrangement with the School or with any entity or individual with which the School has a transaction or arrangement, or
3. A potential ownership or investment interest, other than de minimis, in, or compensation arrangement with, any entity or individual with which the School is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not de minimis.

C. De minimis

A de minimis ownership is defined as less than 5%. A de minimis financial transaction is defined as one with a value of less than \$250.00.

D. Outside Commitment Interest

An Interested Person has an Outside Commitment Interest if the person has, directly or indirectly, or through a Family Member:

1. A legal commitment, including by virtue of employment or a volunteer position, to serve the best interests of another entity or individual *with which the School has a transaction or arrangement or with which it may have competing interests*; or
2. An actual or potential ownership interest in any entity *with which the School has a transaction or arrangement or with which it may have competing interests*.

An Outside Commitment Interest is not necessarily a Conflict of Interest. Please see Article IV.

E. Family Member.

A Family Member is a:

1. spouse or domestic partner;
2. parent or grandparent;
3. child, grandchild, or great grandchild;
4. brother or sister; or
5. spouse or domestic partner of a child, parent, brother, sister, grandchild or great grandchild.

of an Interested Person.

III. DUTY TO DISCLOSE

A conflict of interest may arise when there is an incompatibility between a Board member's personal interest and his/her responsibilities as an elected official in a matter proposed or pending before the Board. Board members have a legal and ethical responsibility to avoid not only conflict of interest, but the appearance of conflict of interest as well. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of a Financial Interest or an Outside Commitment Interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

IV. DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

After disclosure of the Financial Interest and/or Outside Commitment Interest and all material facts, and after any discussion with the Interested Person(s), the disinterested Board directors shall determine if a Conflict of Interest exists. The determination that a Conflict of Interest exists shall not preclude the Board (other than the conflicted Interested Person(s)) from approving the matter, but such determination shall require the Board to follow the procedures outlined below.

V. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

- A. An Interested Person who has a Conflict of Interest may make a presentation at the Board meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the Conflict of Interest.

- B. If the Conflict of Interest involves a Financial Interest to the Interested Person, after exercising due diligence, the Board may consider whether the School can obtain with reasonable efforts a more advantageous transaction from an individual or entity that would not give rise to a Conflict of Interest.
- C. The Board shall determine by a majority vote of the disinterested directors whether the transaction is in the School's best interest, for its own benefit, and whether it is fair and equitable to the School. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction, and upon what terms, if any, to minimize the Conflict of Interest.

VI. VIOLATIONS OF CONFLICT OF INTEREST POLICY

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

VII. RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

VIII. BOARD MEMBERS AND COMPENSATION

- A. A voting member of the governing board who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation.
- C. A voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

IX. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement that affirms such person:

- A. Has received a copy of the conflicts of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy, and
- D. Understands the School is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

X. PERIODIC REVIEW

To ensure the School 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:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the School'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 an excess benefit transaction.

XI. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article X, the School may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



Conflict of Interest Disclosure Statement

(To be completed annually by every Director, Officer, and Administrator and retained with the Corporate Records)

Please complete Items A and B, and sign and date the statement and return it to the Board Chair.

A. The following are relationships, Outside Commitment Interests, or situations involving me or a Family Member that I consider might result in or appear to be an actual, apparent, or potential Conflict of Interest between me or such Family Members on one hand and the Corporation on the other.

For-profit corporate directorships, positions and employment with:

Nonprofit volunteer or paid positions:

Memberships in the following organizations:

Contracts, business activities, and investments with or in the following organizations:

Other relationships and activities:

B. My primary occupation at this time is:

I have read and understand the Corporation's Conflict of Interest Policy and agree to be bound by it. I will promptly inform the Board Chair of any material change that develops in the information contained in the foregoing statement. I understand that the Corporation is a Non Profit educational entity and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax exempt purposes.

Type/print name

Signature

Date