



Conflict of Interest Policy

Section 1: Purpose

The purpose of this conflict of interest policy is to protect the interests of the Fishers High School Band Boosters' ("Boosters"), including its tax exempt status, when it is contemplating entering into a transaction or arrangement that could benefit the private interest of any of its officers, band directors or committee chairs, or which might constitute a possible excess benefit transaction with respect to those individuals. This policy is intended to supplement but not replace any state or federal laws which govern conflicts of interest for nonprofit organizations.

Section 2: Definitions

a. **Interested Person.** Any band director, executive board officer, or committee chair/co-chair who has a financial interest is an interested person.

b. **Financial Interest.** A financial interest is:

- i. an ownership or investment interest in any entity with which the Boosters has a transaction or arrangement;
- ii. a compensation arrangement with the Boosters or with any entity or individual with which the Boosters has a transaction or arrangement; or
- iii. an ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Boosters is considering an arrangement or transaction.

c. **Scope of Financial Interest.** A financial interest may be direct or indirect. It includes the financial interests of the interested person's family. The term "compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest, but it may give rise to a conflict of interest.

Section 3: Procedures

a. **Duty to Disclose.** An interested person must inform the uninterested members of the executive board of his or her financial interest as soon as he or she becomes aware of its existence. The interested person must also disclose all material facts regarding their financial interest.

b. **Determining whether a conflict of interest exists.** After the interested person discloses his or her financial interest to the executive board, he/she shall leave the meeting while the uninterested members of the executive board discuss the matter. The uninterested members of the executive board shall, by majority vote, decide whether a conflict of interest exists.

c. **Resolving conflicts of interest.** If the executive board determines that a conflict of interest exists, it may resolve the matter as follows:

- i. Allow the interested person to make a presentation regarding the transaction, but the interested person shall leave the meeting before the executive board discusses and votes on the proposed transaction. Under no circumstances shall the interested person vote on the proposed transaction or arrangement, and his or her presence may not be counted in determining whether there is a quorum.
- ii. Appoint a disinterested person or committee to investigate alternatives to the proposed transaction.
- iii. Determine whether the Boosters can obtain a more advantageous transaction or arrangement from another person or entity.
- iv. Approve the transaction or arrangement, if the uninterested members of the executive board determine, by majority vote, that a more advantageous arrangement is not reasonably possible under the circumstances



and that the arrangement is fair, reasonable, and in the Boosters' best interest.

d. Violations of the Conflicts of Interest Policy.

- i. If the executive board has reasonable cause to believe an interested person has failed to disclose a financial interest that could create a conflict of interest, the board shall inform the person of the basis for such belief and afford the person an opportunity to explain his or her lack of disclosure.
- ii. If, after hearing the person's response and completing any investigation, the executive board determines that the interested person has a conflict of interest, it shall take appropriate disciplinary and corrective action, including a reevaluation of the propriety and merits of the transaction.

Section 4: Records of Proceedings

The minutes of the executive board shall contain:

- The names of the persons who have a financial interest in an arrangement or transaction;
- the nature of their financial interest;
- any investigation undertaken to determine whether a conflict of interest existed;
- the board's decision as to whether a conflict of interest exists;
- the names of the persons who were present for the board's discussion and votes on the transaction;
- the content of the board's discussion, including its evaluation of any alternatives to the transaction; and
- any votes taken in connection with the matter.

Section 5: Compensation

Any executive board officer, band director or committee chair who receives compensation, directly or indirectly, from the Boosters is precluded from voting on matters pertaining to his or her compensation.

Section 6: Annual Statements

Each band director, executive board officer, and committee chair/co-chair shall annually sign a statement which affirms that he or she:

- Has received a copy of the conflict of interest policy;
- Has read and understood the policy;
- Has agreed to comply with the policy; and
- Understands that the Boosters is a charitable, not-for-profit organization that must engage primarily in activities which further its tax exempt purpose in order to maintain its tax exempt status.

Section 7: Periodic Reviews

To ensure that the Boosters operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews of its transactions shall be conducted. The periodic reviews shall, at a minimum, evaluate:

- a. Whether the amounts paid for goods and services are fair and reasonable; and
- b. Whether its transactions conform to its written policies, are properly recorded, further its charitable purposes, and do not result in inurement, impermissible private benefit, or excess benefit transactions.

Approved by the Executive Board of the Fishers High School Band Boosters this ___ day of _____, 2016.

Signature _____