



CONFLICT OF INTEREST POLICY
for
MEMBERS OF THE BOARD OF DIRECTORS
of the
DELASALLE HIGH SCHOOL

Article I - Purpose

The purpose of the conflict of interest policy is to define what constitutes a conflict of interest and to *protect* this tax-exempt organizations, De La Salle Education Center, hereinafter DLS, interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the DLS or might result in a possible excess benefit transaction. 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. Board members shall recuse themselves from positions, discussions or votes where they have, appear to have, or believe that they have a conflict of interest that would prevent them from acting in the best interests of DLS and the safeguarding of its programmatic and corporate soundness. Furthermore, should a Board member have a personal financial interest in any agency, company, or entity that stands to receive financial or other material benefits from performing services for DLS, that Board member shall disclose that interest to his/her fellow Board members.

Article II - Definitions

1. Interested person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

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

- s. An ownership or investment interest in any entity with which DLS has a transaction or arrangement,
- b. A compensation arrangement with DLS or with any entity or individual with which DLS has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which DLS is negotiating a transaction or arrangement.

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. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III - Procedures

The President of the Board will administer this Conflict of Interest Policy; at his/her discretion, refer issues to the full Board or an appropriate committee thereof.

1. Duty to Disclose

a. In connection with any actual or possible conflict of interest, an interested person must promptly disclose the existence of the financial interest and be given by filing a written Disclosure statement with the President of the Board.

b. Any director who becomes aware of a potential or perceived conflict of interest of another Board member shall have a duty to disclose the potential or perceived conflict of interest by filing a written Disclosure statement with the President of the Board.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person or necessary committees the President of the Board shall review the entire situation and determine whether a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The President of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether DLS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in DLS's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

e. The suggested resolution shall be documented. A copy of all documents relating to disclosures, resolutions will be retained by DLS's legal counsel.

f. All disclosure Statements are to be retained for four years. All disclosures and related actions involving grants and contracts must be maintained at least three (3) years beyond the termination of the related grant(s) or contract(s) or resolution of any action with the funding organization, whichever is longer.

4. Violates us of the Conflicts of **Interest** Policy

a. 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.

b. 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.

c. It is a violation of DLS's policy to retaliate against an individual who files a statement raising a potential or perceived conflict of interest. It is also a violation for a Board member knowingly to file a false statement. If such actions should occur, they should be brought to the immediate attention of the President of the Board.

Article IV - 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 boards 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.

Article V - Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the DLS 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 DLS for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction or includes compensation matters and who receives compensation, directly or indirectly, from DLS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI -. Annual Statements

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

- 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 DLS is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII - Periodic Reviews

To ensure the DLS 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 DLS'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 VIII - Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, DLS 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.

I have read and am aware of the conflict of interest policy for the Board of Directors for Delasalle High School, and hereby agree to abide by this policy in all matters dealing with my responsibilities toward Delasalle High School.

Date _____

Signature _____

Name (Please Print) _____

