

Finance

Policy #F – 17

Subject: Conflict of Interest

Date: 7/19/00

Revised: 4/2/08, 8/10/09, 12/30/09, 3/1/12

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Purpose: The purpose of the conflict of interest (1) policy is to protect the agency's interest when contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, employee, or director of the agency ("*interested party*") or might result in a possible excess benefit transaction. The policy is intended to ensure that when actual or potential conflicts of interest arise, that a process is in place under which the affected individual will advise the governing body regarding all relevant facts concerning the respective situation. This procedure is consistent for all corporate entities.

Policy: The agency will ensure that no contractual relationships benefit the private interest of an officer, employee or director of the agency, unless approved by the Audit and Finance Committee.

Procedure:

1. Annually, each director, principal officer, and member of each board of trustees shall sign a statement which affirms that such person has received a copy of this policy, has read and understands the policy, and has agreed to comply with the policy.
2. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the CFO and President/CEO.
3. The CFO and President/CEO will investigate other alternatives to determine if the agency can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that will not give rise to a conflict of interest.
4. The CFO and President/CEO will present the interested person's proposal, including all facts regarding the potential conflict of interest, as well as alternatives, to the Audit and Finance Committee. Recommendations regarding the most beneficial arrangement will be made.

(1) A conflict of interest is defined as the board member or employee having a relationship with any company with which the agency has a contractual arrangement through which the board member, board member's relative, employee, or employee's relative, could realize a financial gain. That is, companies which are either owned (fully or in partnership) by him/her, or owned (fully or in partnership) by any relative, or for which any relative is employed and will realize a financial gain from a business relationship with the agency.

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5. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Committee shall determine by majority vote of the disinterested members whether or not the transaction or arrangement is in the agency's best interest, for its own benefit, and whether it is fair and reasonable. If the interested party is on the Committee, he/she will abstain from the vote.
6. In conformity with the above determination, the Committee shall make its decision as to whether to enter into the transaction with the interested party.
7. The CFO is responsible for investigating potential conflicts of interest that have not been reported per this policy. The interested party will be given the opportunity to disclose actual or possible conflicts.
8. The CFO will investigate all options regarding the respective relationship to determine whether or not the relationship is beneficial to the agency. Recommendations will be reported to the Audit and Finance Committee.
9. The Committee may take appropriate corrective action if it is determined that the conflict of interest policy has been violated, or, will approve the contractual relationship if determined that the conflict is in fact advantageous for the agency.
10. All board proceedings will be properly documented.