

INDIAN ASSOCIATION OF GREATER SOMERSET COUNTY

Conflict of Interest Policy

Introduction

This document describes conflict of Interest policy of the Indian Association of Greater Somerset County. When necessary, the members of the Executive Committee and the Board of Trustees will use the policy to identify conflict of interest.

Article I

Purpose

The purpose of the conflict of interest policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Executive Committee or Board of Trustee of the Association or might result in a possible excess benefit transaction.

Article II

Definitions

1. Interested Person

Any member of the Executive Committee or Board of Trustee, 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:

- An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
- A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association 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 Board of Trustees or the members of the Executive Committee decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

- 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 Board of Trustees and the members of the Executive Committee considering the proposed transaction or arrangement.

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, he/she shall leave the meeting while the determination of a conflict of interest is discussed and voted upon by the remaining members of the Executive Committee. The

remaining Board of Trustees or the members of the Executive Committee shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- An interested person may make a presentation at the Executive Committee 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.
- After exercising due diligence, the members of the Executive Committee shall determine whether the Association 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.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the members of the Executive Committee shall determine by a majority vote of the disinterested members of the executive Committee whether the transaction or arrangement is in the Association'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.

4. Violations of the Conflicts of Interest Policy

- If the members of the Executive Committee have 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 members of the Executive Committee determine the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the Board of Trustees and/or Executive Committee meetings shall contain:

- 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 Executive Committee's decision as to whether a conflict of interest in fact existed.
- 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

Annual Statements

Each member of the Executive Committee and the Board of Trustees of the Association shall annually sign a statement that affirms such person:

- Has received a copy of the conflicts of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and
- Understands that the Association is non-profit 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.

Article VI

Periodic Reviews

To ensure that the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, annual review shall be conducted. The annual review shall, at a minimum, include the following:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information.