



# Maple Hills Elementary PTA 2.6.15

15644 204<sup>th</sup> Ave SE • Renton, WA 98059

[www.maplehillspata.com](http://www.maplehillspata.com)

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## Conflict of Interest Policy Agreement

The purpose of this policy is to protect this tax-exempt organization's interest when it is contemplating or entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Maple Hills PTA 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.

1. 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. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
  - a. An ownership or investment interest in any entity with which the Maple Hills PTA has a transaction or arrangement.
  - b. A compensation arrangement with Maple Hills PTA or with any entity or individual with which Maple Hills PTA has a transaction or arrangement.
  - c. Or a potential ownership or investment interest in, compensation arrangement with, any entity or individual with which Maple Hills PTA is negotiating a transaction or arrangement.
3. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. A financial interest is not necessarily a conflict of interest. Under this policy, 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.
5. The procedures for the conflict of interest policy shall include:
  - a. **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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

b. 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 governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

c. Procedures for Addressing the Conflict of Interest

- i. An interested person may make a presentation at the governing board or 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.
- ii. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- iii. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
- iv. 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 a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, 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.

d. Violations of the Conflict of Interest Policy

- i. 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.
- ii. 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.

6. The records of proceedings regarding conflicts of interest for the governing board and all committees with board delegated powers shall include:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual 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 or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the person who were present for discussions and votes relating to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

7. A voting member of the governing board who receives compensation, directly or indirectly, from Maple Hills PTA for services is precluded from voting on matters pertaining to that member's compensation.
8. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from Maple Hills PTA for services is precluded from voting on matters pertaining to that member's compensation.
9. Reimbursement of allowable expenses under Maple Hills PTA financial policies is not considered compensation.
10. No voting member of the governing board or any committee whose jurisdiction from Maple Hills PTA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
11. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement within 15 days of election or a appointment, a statement which 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 Maple Hills PTA is charitable and in order to maintain its federal tax exemptions it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
12. In order to ensure Maple Hills PTA 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 review 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 Maple Hills PTA'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 excess benefit transaction.
13. When conducting the periodic reviews as provided for in this policy, Maple Hills PTA 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.



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I have read and understand the Maple Hills PTA Conflict of Interest Policy.

Board Member/Committee Chair Name: \_\_\_\_\_

Board Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_