

# Exhibit A Conflict of Interest Policy

## 1. Purpose

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

## 2. 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:
  - i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
  - ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
  - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization 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.** In accordance with this Conflict of Interest Policy, a person who has a financial interest shall have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## 3. 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 directors and members of committees with governing board delegated powers 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 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.

**3. 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. 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.

iii. 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 the Organization'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.

**d. Violations of the Conflicts 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.

**4. Records or Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

1. 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 board's or committee's decision as to whether a conflict of interest in fact existed.

2. 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.

## **5. Compensation**

1. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **6. Annual Statements**

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

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Organization is charitable 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.

## **7. Periodic Reviews**

To ensure the Organization 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 the Organization'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.

### 8. Use of Outside Experts

When conducting the periodic reviews as provided for in #7 (above), the Organization 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. By signing below, each board member signifies that he or she has read, understands, and consents to compliance with this Conflict of Interest Policy.

## Exhibit B Procurement Policy

The following policies and procedures shall be followed when the Corporation purchases equipment, materials, supplies, property, or services from an outside source.

### 1. General Policy

a. **No Conflict of Interest.** All directors, officers, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the Corporation’s conflict of interest policy. No director, employee, or agent will participate in the selection or acceptance of a contract involving a conflict of interest without approval of the Board of Directors. “Conflict of interest” includes situations in which the employee, family member, or Board member has a financial interest in the business or individual selection for the contract.

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### 2. No Purchase of Items for Personal Use.

No director, officer, employee, or agent who participates in the selection or

acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.

3. **No Receipt of Gratuities.** No director, officer, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with the Corporation.
4. **No Purchase of Items Not Approved in the Budget.** No director, officer, employee, or agent shall purchase any equipment, materials, supplies, or services that have a cost in excess of five thousand dollars (\$5,000) if such equipment, materials, supplies, or services have not been approved by the Board of Directors in the annual budget or by resolution of the Board.
5. **Document Cost Analysis.** The Corporation shall conduct a cost analysis in conjunction with every purchase over ten thousand dollars (\$10,000) and document the analysis in the procurement files in conjunction with such purchase. The procurement file should include a justification for the lack of competition if competitive bids are not obtained.
6. **Contract with Winning Bidder.** If a contract is competitively bid, the Corporation will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property, or services to be purchased and the payment terms.
7. **Evaluate Each Contractor.** The Corporation will evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts.

## 2. Acquisition Procedure

The Corporation will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchases. The Corporation reserves the right to reject any bids or offers, if deemed to be in its best interest.

a. **Pricing Procedures.** One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving amounts over ten thousand dollars (\$10,000):

i. **Open Market Inquiry.** The Corporation will inquire in the open market to ensure an advantageous price and quality. The file shall document the inquiries made and offers received.

ii. **Request for Competitive Quotes.** The Corporation will request competitive quotes, orally or in writing, from at least three (3) different sources. The file shall document each invitation made and offer received.

iii. **Formal Proposal Procedure.** The Corporation will solicit competitive responses through a formal bid or negotiated procedure, depending on the nature of the goods or services to be purchased.

2. **Document Prices.** The Corporation shall maintain files on all quotations solicited and offers or bids received and any criteria for selection. In all instances in which the lowest bid is not awarded in the contract, justification for the selection must be contained in the file.
3. **Purchases over \$5,000.** The Board of Directors must approve purchases over five thousand dollars (\$5,000) if such expenditure exceeds the amount authorized in the annual budget approved by the Board of Directors.
4. **Two Signatories on Checks.** There must be two authorized signatures on all checks for purchases over five thousand dollars (\$5,000).

### **3. Property and Equipment Policy**

When purchasing property, both real estate and equipment, the following procedures must be followed:

1. **Title in the Name of the Corporation.** All property purchased belongs to the Corporation and title vests with the Corporation.
2. **Property Inventory.** A list of all tangible property owned by the Corporation shall be kept showing the type of property, identification number, original cost, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of the Corporation's fiscal year.
3. **Insurance Coverage.** The Corporation may maintain insurance coverage for all property owned by the Corporation and maintain documentation of each policy.

**Policy Reviewed April 2024**