



ROGUE COMMUNITY COLLEGE
FOUNDATION

CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of the conflict of interest policy is to protect the interest of Rogue Community College Foundation (RCCF) as a tax-exempt organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of RCCF, 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.

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:

- a. An ownership or investment interest in any entity with which RCCF has a transaction or arrangement,
- b. A compensation arrangement with RCCF or with any entity or individual with which the RCCF has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which RCCF is negotiating a transaction or arrangement.
- d. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial. 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

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.

Members of the board, officers, and employees of RCCF serve the foundation's interest and have a clear obligation to fulfill their responsibilities in a manner consistent with this fact. All decisions of the board and officers are to be made solely on the basis of a desire to promote the best interests of the foundation, and not the personal interest of the board member. The foundation's integrity must be protected and advanced at all times.

Men and women of substance inevitably are involved in the affairs of other institutions and organizations. An effective board cannot consist of individuals entirely free from at least perceived conflicts of interest. It is the responsibility of each director and officer to ensure that the board is made aware of any and all situations that involve personal, family, or business relationships that could be deemed as a perceived or actual conflict of interest. The board requires each director and RCCF officer annually to (1) review this policy, (2) disclose potential personal, family, or business relationships that could give rise to a conflict of interest with the foundation or which could result in a substantial benefit as a consequence of actions by RCCF, and (3) sign an acknowledgement of the policy and agree to conform to its requirements. Each director has an ongoing duty to disclose conflicts of interest or the prospect of substantial benefit.

All directors and officers are required to list only those substantive relationships that he or she maintains (or members of their family maintain) with organizations that do business with RCCF or otherwise could be construed to potentially affect their independent, unbiased judgment in light of his or her decision-making authority or responsibility. In the event you are uncertain as to the appropriateness of listing a particular relationship, the Chair of the board of directors should be consulted. They, in turn, may elect to consult with legal counsel, the executive committee, or the board of directors, in executive session. Any information provided for this purpose by a director or officer shall be disclosed only to those individuals deemed to have a need to know and RCCF will take reasonable measures to see that the information is held in confidence except to the extent of analyzing and determining conflict of interest status and necessary resulting action.

The following definitions are provided to help you decide whether a relationship should be listed on this form:

Business Relationship: One in which a director, officer, or a member of his or her family, or business, as defined below serves as an officer, director, employee, partner, trustee, or controlling stockholder of an organization that does substantial business with RCCF.

Family Member: A spouse, parents, siblings, children, or any other relative if the latter resides in the same household as the director or officer.

Substantial Benefit: When you or a member of your family (1) are the actual or beneficial owner of more than 5 percent of the voting stock or controlling interest of an organization that does substantial business with RCCF or (2) have other direct or indirect dealings with such an organization from which you or a member of you family benefits directly, indirectly, or potentially from cash or property receipts totaling \$10,000 or more annually.

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

- a. 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.
- b. 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.
- c. After exercising due diligence, the governing board or committee shall determine whether RCCF 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 RCCF'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 Conflict 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.

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 board's 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 RCCF 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 RCCF 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 includes compensation matters and who receives compensation, directly or indirectly, from the
- d. RCCF, 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 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 that RCCF is a charitable organization, and that 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 that RCCF 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 RCCF'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, RCCF 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 that periodic reviews are conducted.

Acknowledgement:

I have read the above and agree to the terms of this policy.

Signature: _____ **Date:** _____

Printed Name: _____