

MILFORD CENTRAL SCHOOL EDUCATION FOUNDATION

CONFLICT OF INTEREST POLICY

Statement of Policy

This Policy applies to each member of the Board of Directors of the Milford Central School Education Foundation (the "Foundation") and any staff with significant decision-making authority. Persons covered under this Policy, as well as their immediate family, are hereinafter referred to as "Interested Persons."

Each Interested Person has a duty to place the interest of the Foundation foremost in any dealing with or on behalf of the Foundation. No Interested Person shall use his or her position, or the knowledge gained therefrom, in such a manner that a conflict arises between the interest of the Foundation and his or her personal interests.

There are a variety of situations that raise conflict of interest concerns, including, but not limited to, the following:

1. Financial interests – A conflict may exist where an Interested Person directly Or indirectly benefits or profits as a result of a decision, policy or transaction Made by the Foundation. Examples include: (i) contracts to purchase or lease goods, services or properties from an Interested Person; or (ii) an Interested Person is provided with a gift, gratuity or favor of a substantial nature from a person that does business or seeks to do business with the Foundation.
2. Other Interests – A conflict may exist where an Interested Person obtains a Non-financial benefit or advantage that he or she would not have obtained absent his or her relationship with the Foundation. Examples include: an Interested Person seeks to make use of confidential information obtained from the Foundation for his or her own benefit (not necessarily financial) or for the benefit of another Interested Person; or (ii) an Interested Person seeks to take advantage of an opportunity that he or she has reason to believe would be of interest to the Foundation.

Disclosure of Conflicts of Interest

As much as possible, conflicts of interest are to be avoided. All Interested Persons are under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known.

All Interested Persons shall complete the Questionnaire attached as Appendix A to fully and completely disclose any material facts about any potential conflicts of interest. The disclosure statement and Affirmation of Compliance (Appendix B) shall be submitted upon the Interested Person's initial association with the Foundation (or upon adoption of

the Policy for all current Interested Persons) and annually thereafter. An additional disclosure statement shall be filed whenever a potential conflict arises.

Disclosure statements shall be submitted to the Chair of the Board. The Chair's disclosure statement shall be submitted to the Executive Director. In all cases, the recipient of the disclosure statements is the designated reviewing official responsible for bringing potential conflicts of interest to the attention of the Board promptly for action at the next regular meeting of the Board or during a special meeting called specifically to review the potential conflict of interest.

Procedures for Addressing Conflicts of Interest

The fact that an Interested Person has a potential conflict of interest with the Foundation does not necessarily mean that a proposed action, policy or transaction cannot occur. There may be occasions when the Board wants to proceed with the proposed action, policy or transaction, even with the conflict. In such cases, the Board will determine the appropriate response pursuant to the following procedures.

The disinterested members of the Board may approve the proposed action, policy or transaction upon finding that it is in the best interest of the Foundation. The Board shall consider whether the terms of the proposed action, policy or transaction are fair and reasonable to the Foundation and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an Interested Person.

An Interested Person who has a potential conflict of interest with respect to a proposed action, policy or transaction of the Foundation shall not participate in any way in, or be present during, the deliberations and decision-making vote of the Foundation with respect to such action, policy or transaction. However, the Interested Person shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the Board may request that the Interested Person be available to answer questions.

Approval by the disinterested members of the Board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An Interested Person shall not be counted for purposes of determining whether a quorum is present, nor for purposes of what constitutes a majority vote of directors in attendance.

The minutes of the meeting shall reflect that the conflict disclosure was made to the Board, the vote was taken and, where applicable, the abstention from voting and participation by the Interested Party. Whenever possible, the minutes should frame the decision of the Board in such a way that it provides guidance for consideration of future conflict of interest situations.

Violations of Conflict of Interest Policy

If the Board has reason to believe that an Interested Person has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the Board decides that the Interested Person has in fact failed to disclose a possible conflict of interest, the Board shall take such disciplinary and corrective action as the Board shall determine.

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