

## Policy of Conflicts of Interest and Disclosure of Certain Interests

This conflict of interest policy is designed to help directors, officers and employees of SouthWest Metro Educational Foundation identify situations that present potential conflicts of interest and to provide SouthWest Metro Educational Foundation with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. This policy is intended to comply with the procedure prescribed in Minnesota Statutes Section 317A.255, governing conflicts of interest for directors on nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in section 371A.255, the statute shall control. All capitalized terms are defined in Part 2 of this policy.

1. **Conflict of Interest Defined.** For purpose of this policy, the following circumstances shall be deemed to create Conflicts of Interests:
  - a. Outside Interest.
    - i. A Contract or Transaction between SouthWest Metro Educational Foundation and a Responsible Person or Family Member.
    - ii. A Contract or Transaction between SouthWest Metro Educational Foundation and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or legal representative.
  - b. Outside Activities.
    - i. A Responsible Person competing with SouthWest Metro Educational Foundation in rendering of services or in any other Contract or Transaction with a third party.
    - ii. Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with SouthWest Metro Educational Foundation in the provision of services or in any other Contract or Transaction with a third party.
  - c. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from and individual or entity that:
    - i. does or is seeking to do business with, or is a competitor of SouthWest Metro Educational Foundation; or
    - ii. has received, is receiving or is seeking to receive a long or grant, or to secure other financial commitments from SouthWest Metro Educational Foundation;
    - iii. is a charitable organization operating in Minnesota;
    - iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of SouthWest Metro Educational Foundation.
2. **Definitions**
  - a. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
  - b. A "Responsible Person" is any person serving as an officer, employee, or member of the Board of Directors of SouthWest Metro Educational Foundation.

- c. A “Family Member” is spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A “Material Financial Interest” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- e. A “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by SouthWest Metro Educational Foundation. The making of a gift to SouthWest Metro Educational Foundation is not a Contract or Transaction.

### **3. Procedures**

- a. Prior to a board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the boards or committee’s discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purpose of the vote. The person having a Conflict of Interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting. For purpose of this paragraph, a member of the Board of Directors of SouthWest Metro Educational Foundation has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- e. Responsible Persons who are not members of the Board of Directors of SouthWest Metro Educational Foundation, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or Committee action, shall disclose to the Chair or Chair’s designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect SouthWest Metro Educational Foundation’s participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair’s designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

- 4. Confidentiality** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of SouthWest Metro Educational Foundation. Furthermore, a Responsible Person shall not

disclose or use information related to the business of SouthWest Metro Educational Foundation for the personal profit or advantage of the Responsible Person or a Family Member.

**5. Review of policy.**

- a. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- b. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to SouthWest Metro Educational Foundation. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair (President), or the Executive Director, and any committee appointed to address Conflict of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes in the policy shall be communicated immediately to all Responsible Persons.



## 2016 CONFLICT OF INTEREST DISCLOSURE STATEMENT

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**Preliminary note:** In order to be more comprehensive, this statement of disclosure also requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

- a. your spouse, domestic partner, child, mother, father, brother or sister;
- b. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- c. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

**1. NAME OF EMPLOYEE OR BOARD MEMBER:** (Please print)

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**2. CAPACITY:**

☐ Board of Directors  
☐ Executive Committee  
☐ Officer  
☐ Committee Member  
☐ Staff (position): 

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**3. Have you or any of your affiliated persons provided services or property to SouthWest Metro Educational Foundation in the past year?**

☐ NO ☐ YES

*If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**4. Have you or any of your affiliated persons purchased services or property from SouthWest Metro Educational Foundation in the past year?**

☐ NO ☐ YES

*If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**5. Have you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which SouthWest Metro Educational Foundation was or is a party?**

☐ NO ☐ YES

*If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**6. Were you or any of your affiliated persons indebted to pay money to SouthWest Metro Educational Foundation at any time in the past year (other than travel advances or the like)?**

\_\_\_\_NO \_\_\_\_YES

*If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from SouthWest Metro Educational Foundation or as a result of your relationship with SouthWest Metro Educational Foundation, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to SouthWest Metro Educational Foundation?**

\_\_\_\_NO \_\_\_\_YES

*If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving SouthWest Metro Educational Foundation?**

\_\_\_\_NO \_\_\_\_YES

*If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by SouthWest Metro Educational Foundation's [board or a duly constituted committee thereof] in accordance with the terms and intent of SouthWest Metro Educational Foundation's conflict of interest policy?**

\_\_\_\_NO \_\_\_\_YES

*If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:*

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**I HERBY CONFIRM that I have read and understand SouthWest Metro Educational Foundation's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the Executive Director and/or the Board Chair immediately.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date