

# COMMUNITIES IN SCHOOLS OF MADISON COUNTY, INC.

## Conflict of Interest Policy

### PURPOSE

The purpose of this policy is to prevent the personal interest of staff members, officers, and members of the Board of Directors from interfering with the performance of their duties to Communities In Schools of Madison County Inc., through personal, financial, professional, and/or political gain on the part of such persons at the expense of the Corporation or its members.

### DEFINITIONS

Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, officers, and directors of the Corporation. Governing Board (also Board) means the board of directors. Director means an individual member of the board of directors. Staff Member means a person who receives all or part of his/her income from the payroll of the Corporation. Corporation is Communities In Schools of Madison County, Inc.

### POLICY

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Governing Board in all conflicts of interest, including but not limited to the following:

- a. A director is related to an officer.
- b. A director is related to a staff member.
- c. A director is also a staff member. According to the bylaws, the President/Executive Director, who is a staff member, is also a voting member of the Governing Board. He/she shall not vote on matters which relate to his or her own finances, employment, or other topics where a conflict of interest or the appearance of a conflict of interest may be present.
- d. A staff member in a supervisory capacity is related to another staff member whom he/she supervises.
- e. A director or staff member receives payment from the Corporation for any subcontract, goods, or services other than as part of his/her regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
- f. A director or staff member is a member of the governing body of a contributor to the Corporation.
- g. A director or staff member may have personal, financial, professional, or political gain at the expense of the Corporation or its members.

2. Following full disclosure of a possible conflict of interest or any condition listed above, the Governing Board shall determine whether a conflict of interest exists and, if so, the Board shall vote to authorize or reject the transaction and/or condition. Both votes shall be by a majority vote without counting the vote of any interested director, even if the disinterested directors are less than a quorum, provided that at least one consenting director is disinterested.
3. An interested director or staff member shall not participate in any discussion or debate of the Governing Board or of any committee thereof, the subject of which discussion is a contract, transaction, or situation where there may be a conflict of interest.
4. No director or staff member shall participate in the selection, award, or administration of a procurement transaction in which federal or state funds are used, where, to his/her knowledge, any of the following has a financial interest in that transaction: (1) the director or staff member; or (2) any member of his/her immediate family; or (3) his/her business partner; or (4) any organization in which any of the previously mentioned is an officer, director, or employee; or (5) any person or organization with whom any of the previously mentioned is negotiating or has any arrangement concerning prospective employment.
5. No employee of the Corporation shall receive, directly or indirectly, any funds which have been received by the Corporation from the State of North Carolina, or any other Corporation funds, except for duly authorized employee compensation and benefits, and reimbursement for expenses actually incurred in connection with Corporation business
6. No director shall receive, directly or indirectly, any funds which have been received by the Corporation from the State of North Carolina, or any other Corporation funds, except for duly authorized employee compensation and benefits of the President of the Corporation who serves on the Governing Board *ex officio* where matters pertain to his/her salary and benefits, and except for reimbursement for expenses actually incurred by directors in connection with Corporation business.
7. The existence of any of the above cited conditions shall render a contract or a transaction void unless full disclosure of personal interest was made in writing to the Governing Board prior to the contract and such transaction was approved by the Board with full knowledge of such interest.
8. The disinterested directors are authorized to impose by majority vote other reasonable sanctions as necessary to recover associated costs against a director or staff member for failure to disclose a conflict of interest as defined in paragraph 2 or for any appearance of a conflict.
9. Appeal from sanctions imposed pursuant to paragraphs 7 and 8 above shall be as prescribed by law in those courts of the State of North Carolina with jurisdiction over both the parties and the subject matter of the appeal.

10. In the event that the Corporation has incurred costs or attorney fees as a result of legal action, litigation, or appeal brought by or on behalf of an interested director or staff member due to a conflict of interest and consequent sanctions, and in the event that the Corporation prevails in such legal action, litigation, or appeal, the Corporation shall be entitled to recover all of its costs and attorney fees from the unsuccessful party.

11. A copy of this policy shall be given to all directors and staff members upon commencement of such person's relationship with the Corporation. Each director and staff member shall sign and date the policy at the beginning of his or her term of service or employment. Failure to sign does not nullify the policy.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

I attest that each board member and employee of Communities In Schools of Madison County Inc. signs the above statement at the beginning of their term or date of employment.

\_\_\_\_\_  
Board Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public (official seal)

\_\_\_\_\_  
Date Notarized