

Conflict of Interest Policy

Article I - Purpose

The purpose of the Conflict of Interest Policy (the “Policy”) is to protect Buffalo Scholastic Rowing Association’s (BSRA) interest when it is contemplating entering into a transaction or arrangement that might also benefit the private interest of an officer, director, employee or independent contractor of BSRA. This Policy is designed to ensure that all institutional decisions are made solely to promote the best interests of BSRA without favor or preference based on personal considerations, and to provide the highest ethical conduct. This Policy is intended: to supplement, but not replace any applicable New York State or federal laws governing conflicts of interest applicable to nonprofit corporations; and to clarify BSRA’s principles and practices for guidance in resolving ethical and legal questions that might arise relating to business transactions.

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 interest or investment interest in any entity which the BSRA has a transaction or arrangement;
- b. a compensation arrangement with BSRA or with any entity or individual with which BSRA has a transaction or arrangement; or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BSAR is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. 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, a director, officer, committee member, employee or independent contractor 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 of 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 to Address a Conflict of Interest.

The following procedures shall be taken:

- 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 agreement.
- c. After exercising due diligence, the governing board or committee shall determine whether BSRA 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 BSRA'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. Violation of Conflict of Interest Policy.

- a. If the Board has reasonable cause to believe that a member of the Board, committee, officer, employee or independent contractor of BSRA has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis of such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board should determine that the person has in fact 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 Board and all committees with board delegated powers shall contain the following information:

- a. The names of the person(s) 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; the actions taken to determine whether a conflict of interest was present; and the 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 a record of their votes relating to the transaction or arrangement, and any record of any votes taken in connection with the proceedings.

Article V - Compensation

1. A voting member of the governing board who receives compensation directly or indirectly, from BSRA 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 BSRA, 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 BSRA, 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 a 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 BSRA is a charitable and an 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 BSRA 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 BSRA'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, BSRA 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.

Name _____

Position: _____

Please describe below any financial interest as define above that could be a conflict of interest

_____ I have no conflict of interest to report

___ I have the following conflict of interest to report

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I further certify that I have read the Conflict of Interest Policy attached hereto and understand I have an affirmative obligation to disclose any Conflict of Interest that may arise during my term.

Signature _____

Date _____