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WSSU National Alumni Association, Inc. Conflict of Interest Policy Article I Purpose

WSSU National Alumni Association, Inc. is a nonprofit Corporation organized under the laws of the State of North Carolina and recognized as a tax-exempt, 501(c)(3) organization by the Internal Revenue Service. The board members and Association managers are chosen to serve the public and to carry out the mission of the Association. The board members have a duty to conduct the affairs of the Association in a manner consistent with its mission **and by no means to advance their personal interest**. This *Conflict-of-Interest policy* is intended to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the Association 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 Interests

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 the Association has a transaction or arrangement.
- b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association 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. In determining whether a conflict of interest exists, 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.

2. Determining Whether a Conflict of Interest Exists

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After disclosure of the financial interest and all facts, and after any discussion with the interested person, the person 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, the person shall leave the meeting during the discussion of, and 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 the Association 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 the 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 the Association'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 Conflicts 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
Record 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 proceeding.

**Article V
Compensation**

A voting member of the governing board or any committee who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

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**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 the Association is charitable and 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 the Association 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 results of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association'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 excess benefit transaction.

**Article VIII
Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Association 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.

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**WSSU National Alumni Association, Inc.
Conflict of Interest Policy Questionnaire**

WSSU National Alumni Association, Inc. requires each board member and Association manager annually (1) to review the Conflict of Interest Policy; (2) to disclose any possible personal, familial, or business relationship that reasonably could give rise to a conflict of interest or the appearance of a conflict of interest; and (3) to acknowledge by his signature that he is acting in accordance with the letter and spirit of this Policy.

Please respond to the following questions to the best of your knowledge.

1. Please list all corporations, partnerships, associations, or other organizations of which you are an officer, director, trustee, partner, or employee, which has or is contemplating a business relationship with WSSU National Alumni Association, Inc.

2. Please list all corporations, partnerships, and other entities which you have a financial interest as defined the Policy.

3. Please list all business dealings that you, your family members, and/or entities listed in Question 1 & 2 above have had with WSSU National Alumni Association, Inc. in the past year.

4. Please list any proposed business dealings between WSSU National Alumni Association, Inc. and you, your family member and/or entities in Questions 1 & 2 above. Describe each such relationship listed and the actual and potential benefits as you can best estimate.

5. Are you aware of any other relationships, arrangements, or matters which could create a conflict of interest or the appearance of conflict? If so, please describe.

I have received, read and understand the WSSU National Alumni Association, Inc. *Conflict-of-Interest* Policy. I am currently, and agree to remain, in compliance with the Policy.

Signature

Date