CONFLICT OF INTEREST POLICY
OF
The College of Staten Island Association, Inc.

1.0 SCOPE

This policy applies to each director and officer of The College of Staten Island Association, Inc. (“Corporation”), as well as to each member of a committee with powers delegated by the Corporation’s Board, and to all other persons working on behalf of the Corporation in positions of significant responsibility (“managers”).

2.0 PURPOSE

Directors, officers, committee members, and managers of the Corporation serve the public trust and have an obligation to fulfill their responsibilities in a manner consistent with this fact. They have the responsibility of administering the affairs of the Corporation honestly and prudently, and of making decisions solely on the basis of a desire to promote the best interests of the Corporation, the College of Staten Island, and the public good, and not to generate a personal benefit.

The purpose of this conflict of interest policy is to protect the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, committee member, or manager, 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.

3.0 CIRCUMSTANCES THAT MAY GIVE RISE TO CONFLICTS OF INTERESTS

3.1 A director, officer, committee member, or manager of the Corporation may have a conflict of interest if that person, either directly or through a family member:

3.1.1 has an ownership or investment interest in any entity with which the Corporation has or is negotiating a transaction or arrangement;

EXAMPLE: The Corporation is reviewing bids for yearbook printing services. The brother of the Secretary of the Corporation is a partner in one of the companies bidding on the contract.

3.1.2 holds a position as director, officer, or other position of managerial responsibility in an entity with which the Corporation has or is negotiating a transaction or arrangement;

1 “Family member” of an individual includes his or her spouse, domestic partner, parents, siblings, children, and any other relative who resides in the same household.
EXAMPLE: The Corporation is considering licensing space to a company whose CEO is a director of the Corporation.

3.1.3 holds a position as director, officer or other position of managerial responsibility in, or receives compensation from, an entity whose budget is subject to Corporation review and approval; or

EXAMPLE: The Corporation is reviewing the budget for the College’s student newspaper. One of the directors is editor-and-chief of the newspaper.

3.1.4 receives compensation\(^2\) from the Corporation or from any entity or individual with which the Corporation has or is negotiating a transaction or arrangement, or would or might receive compensation as a result of such transaction or arrangement.

EXAMPLE: One of the Corporation’s directors has experience in writing software for accounting transactions. The Corporation wants to pay the director to design custom software.

3.2 The fact that one of the circumstances described in subsection 3.1 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of importance or is necessarily adverse to the Corporation’s interests. The Corporation’s Board shall make these determinations pursuant to the procedures set forth in Section 4.0.

3.3 The circumstances described in subsection 3.1 are not exhaustive. Conflicts may arise in other areas or through other relations. It is assumed that the directors, officers, committee members, and managers will recognize such other circumstances by analogy.

4.0 PROCEDURES

4.1 Duty to Disclose. It is the duty of each director, officer, committee member, and manager to fully disclose to the Corporation the existence of any of the circumstances described in Section 3.0 before the transaction or arrangement is consummated by the Corporation. The Corporation shall give the individual with the actual or potential conflict of interest the opportunity to make a presentation or otherwise disclose all material facts to the Board.

4.2 Determining Whether a Conflict of Interest Exists.

4.2.1 After disclosure of a potential conflict of interest and due consideration of the facts, the Board of Directors of the Corporation or a duly constituted

\(^2\) Compensation includes direct and indirect remuneration, including that received in-kind, as well as gifts or favors that are not insubstantial
committee of the Board shall determine whether or not a conflict of interest exists.

4.2.2 The individual with the potential conflict of interest shall not participate in, nor be present during, any discussion or vote regarding the potential conflict of interest, except to make a presentation or otherwise disclose material facts and to respond to questions.

4.2.3 A director of the Board or a member of any committee whose jurisdiction includes compensation matters, who receives compensation, directly or indirectly, from the Corporation for services, is always deemed to have a conflict of interest and is precluded from voting on matters pertaining to his or her compensation. However, no such director or committee member shall be prohibited from providing information to any committee regarding compensation.

4.3 Procedures for Addressing the Conflict of Interest. If the Board or committee determines that a conflict of interest exists, it shall follow these procedures for addressing the conflict:

4.3.1 The Chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

4.3.2 After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts an equally or more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4.3.3 If an equally or more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation’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.

4.4 Violations of the Conflict of Interest Policy

4.4.1 If the Board or committee has reasonable cause to believe a director, officer, committee member, or manager has failed to disclose one or more actual or possible conflicts of interest, it shall inform that individual of the basis for such belief and give him or her an opportunity to explain the alleged failure to disclose.
4.4.2 If, after hearing the explanation and after making further investigation as warranted by the circumstances, the Board or committee decides that the director, officer, committee member, or manager has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

5.0 RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board-delegated powers shall contain:

5.1 The names of the persons who disclosed or otherwise were found to have a potential conflict of interest, the nature of the interest, any action 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.

5.2 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 proceedings.

6.0 GIFTS

No director, officer, committee member, or manager of the Corporation shall accept or solicit any gift of more than nominal value from any individual or entity that does or is seeking to do business with the Corporation or under any other circumstances where it could be reasonably inferred that the gift was intended to influence or could be reasonably expected to influence the director, officer, committee member, or manager in the performance of his or her duties for the Corporation.

EXAMPLE: A committee of the Corporation is evaluating proposals for a food service contract. A vendor would like to provide the committee with transportation to its facility in Connecticut and take them to dinner at a local restaurant after the committee has completed its visit of the vendor’s facility. The committee must decline the transportation and the meal.

7.0 ANNUAL STATEMENTS

Each director, officer, manager, and member of a committee with Board-delegated powers shall annually sign a statement that affirms such person:

7.1 has received a copy of this conflicts of interest policy,

7.2 has read and understands the policy,

7.3 has agreed to comply with the policy, and
7.4 understands that the Corporation is a charitable organization that operates for the public good and that in order to maintain its tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

8.0 PERIODIC REVIEWS

8.1 To ensure that the Corporation 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 whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.

[Model Annual Statement follows.]
The College of Staten Island Association, Inc.

CONFLICT OF INTEREST POLICY
ANNUAL STATEMENT

To be completed annually by each director, officer, member of a committee with Board-delegated powers, and all other persons working on behalf of the Corporation in positions of significant responsibility.

I hereby certify as follows:

1. I have received a copy of the Corporation’s Conflict of Interest Policy and I have read and understand the Policy.

2. I agree to comply with the Policy.

3. I understand that the Corporation is a charitable organization that operates for the public good and that in order to maintain its tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

____________________________________
Printed Name

____________________________________
Signature

____________________________________
Date