

Conflict of Interest Policy Statement

1. The purpose of this policy is to protect the _____ PTA/PTSA's interest when decisions are made that might benefit the private interests of an officer, member of the board or other person authorized to make purchases on behalf of the PTA. This policy is in addition to any applicable state and federal laws governing conflict of interest.
2. This policy applies to all officers or member of the _____ PTA/PTSA's board of directors and to other persons who have been authorized to make purchases on behalf of the PTA.
3. Any person covered by paragraph 2 who has a direct or indirect interest in a business with which the PTA/PTSA is or may do business has a duty to disclose such interest to the board of directors.
4. After disclosure of the financial interest and making any statement that s/he desires, such person should leave the meeting while the remaining board members discuss the circumstances and determine whether in fact there is a conflict of interest.
5. The remaining board members will decide if a conflict of interest exists by a majority vote that will be recorded in the minutes of the meeting.
6. If the board determines that a conflict of interest exists, it will then determine whether the PTA can obtain a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
7. If a more advantageous transaction or arrangement from a different person or entity is not reasonably possible, the board shall determine by a majority vote of the disinterested members of the board whether the proposed transaction or arrangement is in the PTA's best interest and whether the terms are fair and reasonable. If so, the PTA may proceed with the transaction.
8. Any member of the board who believes that a person covered by paragraph 2 has failed to disclose an actual or possible conflict of interest shall inform that person of the basis for such belief and afford the person an opportunity to respond. If the person's response does not eliminate the potential conflict of interest, the board member may bring a motion to have the board determine how to proceed following the process outlined in paragraphs 4 through 7 above.
9. The minutes of meetings of the board of directors shall include a summary of all discussions of potential or actual conflicts of interest, including the names of persons making a disclosure as required by paragraph 3 or making a motion under paragraph 8,

the nature of the potential, alleged or actual conflicts, and records of the actions taken by the board, including vote totals on any motions.

10. A voting member of the board who receives compensation from funds provided by _____ PTA/PTSA is precluded from voting on matters pertaining to such funding. This does not apply to reimbursement of allowable expenses.

11. If the board of directors has reason to believe that a person covered by Paragraph 2 above has violated this policy, the person shall be notified and given an opportunity to respond to the allegation. After reviewing the response, the Board shall determine whether in fact the policy has been violated, and shall take appropriate corrective action.

12. At the beginning of each fiscal year, all members of the board shall sign a statement confirming that they:

- a. have received a copy of the conflicts of interest policy,
- b. have read and understands the policy;
- c. agreed to comply with the policy; and
- d. understand that _____ PTA/PTSA is a tax-exempt association and that to maintain its federal tax exemptions it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

13. To ensure that _____ PTA/PTSA does not engage in activities that could jeopardize its tax-exempt status, the PTA's annual financial review will include a review of business arrangements to determine whether the terms, including the price paid for goods and services, were reasonable.

This policy was adopted by the Board of Directors of the _____ PTA/PTSA on _____, 20__

Attest: _____, Secretary

Acknowledgment of Conflict of Interest Policy

_____, a member of the Board of Directors of the _____ PTA, confirm as follows:

- 1. I have received a copy of the conflicts of interest policy;
- 2. I have read and understand the policy;
- 3. I agree to comply with the policy; and
- 4. I understand that _____ PTA/PTSA is a tax-exempt association and that to maintain its federal tax exemptions it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature: _____ Date: _____

Position: _____