



**TRUST ACADEMY**  
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## **Conflict of Interest Policy**

### **Purpose**

To achieve Trust Academy(the “College”) mission, all Covered Persons (as defined below) must perform their duties with the best interests of the College in mind and put the best interests of the College first. To that end, Covered Persons must not allow Interest (as defined below) to interfere with any decisions they may make, or have influence over, regarding the business and operations of the College or decisions made on behalf of the College. Therefore, the purpose of this Conflict of Interest Policy (Policy) is:

- To protect College interests when it is contemplating entering into a contract, transaction or arrangement that might benefit the Interests of a Covered Person, Trustee, or officer of the College or might result in a possible excess benefit transaction.
- To assure that all individuals who, by their position, can influence decisions affecting the business, operations, ethical and/or competitive position of the College, perform their duties in an impartial manner, free from bias created by Interests.
- To clarify the duties and obligations of Covered Persons in the context of any actual or possible Conflicts of Interest (as defined below) and, further, to provide such Covered Persons with a method for disclosing and resolving any actual or possible Conflicts of Interest.
- To emphasize each Covered Person’s inherent duty of loyalty to the College. This requires that each Covered Person prefer the interests of the College over the Interests of the Covered Person, including avoiding acts of self-dealing which may adversely affect the tax-exempt status of the College or cause there to arise any sanction or penalty by a governmental or other entity.
- To supplement (but not replace) any applicable state and National laws governing conflict of interests applicable to nonprofit and charitable organizations. To the extent that other National or state laws may impose more restrictive conflict of interest standards (including more extensive disclosure of actual or potential conflicts of interest), the College’s Board of Trustee’s shall modify the substantive and procedural terms of this Policy to assure compliance with such additional standards.

### **Scope**

Compliance with this Policy is the responsibility of every College employee, officer, and Trustee, including the duty to immediately report any possible violations.



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## **Policy**

### Definitions

This is a broad statement coming from the executive board pronouncing and guiding the day to day running of the organization

#### 1. Covered Person

Any employee (including departmental staff), Trustee, officer, substantial contributor to the College or member of a committee with governing Board delegated powers, who has a direct or indirect Interest (as defined below) is a Covered Person for purposes of this Policy. Further, for purposes of this policy, a Covered Person also includes a family member of the above-named individuals including a spouse, brothers or sisters, spouses of brothers and sisters, children, grandchildren, great grandchildren, ancestors and spouses of children, grandchildren and great grandchildren. This Policy shall be applied broadly.

#### 2. Conflict of Interest

A Conflict of Interest transaction is a transaction with the College in which a Trustee or other Covered Person has a material interest. Further, a Conflict of Interest exists when a Covered Person has an Interest (as defined below) in a proposed contract, transaction or arrangement to which the College is a party and with respect to which the Covered Person would otherwise be called upon to render a decision in that capacity.

#### 3. Interest

A Covered Person has an Interest with respect to a contract, transaction or arrangement to which the College is (or would be, if approved) a party if the Covered Person has, directly or indirectly, through personal, business, investment, or family:

An ownership or investment interest in any entity involved in such contract, transaction or arrangement;

A compensation arrangement with any entity or individual involved in such a contract, transaction or arrangement;

A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the College is negotiating such contract, transaction or arrangement; or



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A fiduciary position (e.g., member, officer, director, committee member) with respect to an entity involved in such contract, transaction or arrangement, but only to the extent that such position involves a material financial interest of, or benefit to, such person.

For purposes of this section, compensation includes direct and indirect remuneration, consulting fees, board or advisory committee fees, honoraria, as well as gifts or favors that are substantial in nature.

It is important to note that an Interest does not necessarily constitute a Conflict of Interest. An Interest can arise from many ordinary and appropriate activities and the existence of such does not imply impropriety or wrongdoing on anyone's part. However, it is important to properly address Interests that are deemed to be actual Conflicts of Interest or that may create the appearance of a Conflict of Interest. Under the Section D(2) below, a Covered Person who has an Interest may have a Conflict of Interest if disinterested members of the Board or a designated committee decides that a Conflict of Interest exists.

## **Procedures**

### **1. Duty to Disclose**

In connection with any actual or possible Conflict of Interest, a Covered Person must disclose the existence of the Interest and be given the opportunity to disclose all material facts to the Board and/or members of committees with Board delegated powers considering the proposed transaction or arrangement as determined by the Board. If the Covered Person is an employee, then the employee must disclose the actual or possible Conflict of Interest to Human Resources as soon as possible so that safeguards and a conflict management plan can be established to protect the College and the parties. After being notified by the employee, Human Resources must determine the extent of the Conflict of Interest and notify the Board, if necessary. If a situation arises where it is difficult for an employee to determine the proper course of action, the matter should be discussed openly with Human Resources. All Covered Persons are expected to participate in and cooperate with the processes set forth in this Policy.

### **2. Determining Whether a Conflict of Interest Exists**

If the Covered Person is an employee, Human Resources shall decide as to whether a Conflict of Interest exists and implement the appropriate safeguards and conflict management plan to protect the College and the parties, including notifying the Board if appropriate.

If the Covered Person is a Trustee, officer or member of a committee with Board delegated authority, after disclosure of the Interest and all material facts, and after any discussion with the Covered Person,



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and in consultation with Human Resources, he or she shall leave the governing Board or committee meeting while the determination of a Conflict of Interest is discussed and voted upon by the Trustees, officers or members of the Board committee who do not have a possible Conflict of Interest and who shall decide if a Conflict of Interest exists.

### 3. Procedures for Addressing the Conflict of Interest

A transaction in which a non-compensated Trustee, officer or member of a committee with Board delegated authority has a Conflict of Interest may be approved in advance if the Board, excluding the Trustee with an Interest, votes to approve, believes in good faith that the transaction is not unfair, and all material facts are known.

Conflicts of Interest involving employees shall be resolved by Human Resources. If Human Resources determines the Board must be notified of the employee's Conflict of Interest, the following procedures shall apply. All other Conflicts of Interest shall also be resolved as follows:

A Covered Person may make a presentation at the Board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest.

If a Conflict of Interest is found to exist, as determined as set forth above, the chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement that would eliminate the Conflict of Interest.

If a Conflict of Interest is found to exist, as determined as set forth above, after exercising due diligence, the Board or committee shall determine whether the College can obtain with reasonable efforts an equivalent or more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.

If an equivalent or more advantageous transaction or arrangement free from a Conflict of Interest is not reasonably possible under the circumstances, the Board or committee shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the College's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board or committee shall make its decision as to whether to enter into the transaction or arrangement.

### 4. Violations of the Conflicts of Interest

If the College, Board or committee with Board delegated authority has reasonable cause to believe a Covered Person has failed to disclose an actual or possible Conflict of Interest, it shall inform the



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Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose an actual or possible Conflict of Interest.

If, after hearing the Covered Person's response and after making further investigation as warranted by the circumstances, the College, Board or committee with Board delegated authority determines the Covered Person has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action against the Covered Person.

### **Records of Conflict-of-Interest Proceedings**

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

The names of the Covered Person(s) who disclosed or persons who were otherwise found to have an Interest in connection with an actual or possible 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.

The names of the Board or committee persons present for discussion and votes relating to actual or possible Conflict of Interest associated with a transaction or arrangement, the content of the Board or committee discussion, including any alternatives to the proposed transaction(s) or arrangement(s) free from an actual or possible Conflict of Interest, and a record of any votes taken in connection with the proceedings.

### **Compensation**

In addition to other procedures regarding how to address conflicts of interests, if a conflict of interest involves compensation, then the following additional procedures will be followed:

A voting member of the Board who receives compensation, including direct and indirect remuneration, consulting fees, board or advisory committee fees, honoraria, as well as gifts or favors that are substantial in nature, from the College for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, including direct and indirect remuneration, consulting fees, board or advisory committee fees, honoraria, as well as gifts or favors that are substantial in nature, from the College for services is precluded from voting on matters pertaining to that member's compensation.



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No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, including direct and indirect remuneration, consulting fees, board or advisory committee fees, honoraria, as well as gifts or favors that are substantial in nature, from the College, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **Annual Statements**

Each member of the Board, principal officer, members of the President's cabinet, and member of a committee with governing board delegated powers and such key employees as required by the College's annual tax return, shall annually sign as a condition of continual Board membership and/or employment a statement which affirms such person:

Has received a copy of this Conflicts of Interest Policy,

Has read and understands the Conflicts of Interest Policy,

Has agreed to comply with the Conflicts of Interest Policy, and

Understands the College is nonprofit and charitable in nature and to maintain its National tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

[View the Conflict of Interest Annual Disclosure Questionnaire.](#)

## **Periodic Reviews**

To ensure the College operates in a manner consistent with its nonprofits and charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the College or delegated authority. The periodic reviews shall, at a minimum, include the following subjects:

Whether or not compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

Whether or not partnerships, joint ventures and arrangements with management organizations conform to the College's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, are free from Conflicts of Interest and do not result in inurement, impermissible private benefit or in an excess benefit transaction

## **Use of Outside Experts**



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When conducting the periodic review as provided in Section G, the College may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

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