



ST. LOUIS

Conflict of Interest Policy

Article I: Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's ("Organization") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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, which 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 or investment interest in any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization
- c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Articles 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, 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

After 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.

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, 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 or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization 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 the Organization'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 Conflict 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 and actual or possible conflict of interest, it shall take the appropriate disciplinary and corrective action.

Article IV—Records 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 proceedings.

Article V—Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, 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 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 Organization is charitable and in order to maintain its federal tax exemption it must engage in activities that accomplish one or more of its tax-exempt purposes.

A sample of the annual statement is attached hereto as Addendum A.

Article VII—Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic review 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 the Organization'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, the Organization 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.

FBISTLCAAA Conflict of Interest Policy
Addendum A

FBI ST. LOUIS CITIZENS ACADEMY ALUMNI ASSOCIATION



Conflict of Interest Policy
Annual Statement of Affirmation

Pursuant to the requirements the FBISTLCAAA Conflict of Interest Policy, 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 Organization is charitable and, to maintain its federal tax exemption, must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Accordingly, please answer the following questions:

1. Are you out of compliance with the FBISTLCAAA Conflict of Interest Policy?
Y/N
2. Do you presently have a professional relationship¹ with any member of any FBISTLCAAA? Y/N
3. Do you presently have a professional relationship with any member of the FBISTLCAAA Board? Y/N
4. Do you presently have a professional relationship with any employee of the FBI?
Y/N

¹ "...professional, corporate or personal, contacts or relationships" are defined as: "relationships that result in a significant economic interest existing between the parties".

5. Do you presently have a professional relationship with any employee of any government partner of the FBISTLCAAAA? Y/N

6. Are you presently employed by an entity that does significant business² with any FBISTLCAAAA? Y/N

7. Are you presently employed by an entity that does any business with the FBISTLCAAAA? Y/N

8. Are you presently employed by an entity that does significant business with the FBI? Y/N

9. Are you presently employed by an entity that does significant business with any government partners of the FBISTLCAAAA? Y/N

10. Are you presently employed by, or have any economic interest in, an entity that might compete with the goals and objectives of the FBISTLCAAAA or its government partners? Y/N

11. Do you have any further conflicts to disclose in order to meet your obligation stated in the Bylaws or the Conflict of Interest Policy that were not already covered by one of the previous questions? Y/N

Explain and clarify any "Y" (yes) answers to the above questions. If needed, attach additional sheet(s).

I affirm, to the best of my ability, that the answers I have given are truthful and complete. Further, I understand that it is my responsibility to update this Disclosure Form if any of the information contained herein changes during my service on the FBISTLCAAAA Board of Directors.

Name: _____

Signed: _____

Dated: _____

² Significant Business will be defined as: a business relationship where more than 10% of either entities revenue is directly dependent on the other.