



TEXAS ALLIANCE OF BLACK SCHOOL EDUCATORS

CONFLICT OF INTEREST POLICY

The purpose of the Conflict of Interest, real, potential or perceived is referred to if it is believed that one has personal interest that may influence a member when making decisions for the board. Furthermore, the purpose of the Conflict of Interest policy is to ensure that the deliberations and decisions of the Organization are made in the interests of the entire membership as a whole, and to protect the interests of the organization when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interest of an Officer or Person (as defined below). An Interested Director, Officer or Person may not use his or her position with respect to the organization, or confidential corporate information obtained by him or her relating to the organization, in order to achieve a financial benefit for himself or herself or for a third party, including another nonprofit or charitable organization. It is not the intent of this policy to regulate or eliminate all situations of conflict of interest, but rather to enable members to recognize situations that may be subject to question and ensure that such situations are properly reviewed and, if necessary, resolved as applicable. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in the organization.

A. Definitions:

For the purpose of this section of the Policy, the following terms shall be defined as indicated:

“Administrative Officer” – means officers of the Organization with duties and responsibilities directly related to the operations of the Organization, including those in a position to affect decisions as to the purchase or disposal of property or services, settlement of claims or other business obligations. The definition of *Administrative Officer* includes, but is not limited to, those in the following positions:

- The President
- President Elect
- The Treasurer
- Secretary
- The Executive Director
- Board Member

“Business Transaction” – any sale, purchase, contract, lease, license, settlement, award of aid, loan, or agreement to which the Organization is a party or a beneficiary.



A ***“Conflict of Interest”*** – occurs when an employee or Trustee (together referred to as “person”) is in a position to affect or to influence significantly the business transactions with the Organization in which the person has an interest. A person is considered to have an interest in an Organization

1. in which that person and/or his/her immediate family own more than 5% of the equity, directly or beneficially.
2. that is a creditor of that person (except a home mortgage obtained on market terms from a bank or similar lending organization shall not be so considered); or that owes the person more than \$500 (except that any kind of saving or checking account or generally available banking arrangement or a holding of less than 5% of any part of a publicly issued debt offering shall not be so considered).
3. that employs, has employed within the 24 months before a Business Transaction, or has an arrangement to employ, to retain as a consultant, to fund the research of, or to pay a commission or stipend to that person and/or his immediate family.
4. that has retained as a consultant or paid a commission or stipend to or is funding the research of that person or his immediate family.
5. that intends to provide or has provided the person or his or her immediate family with goods and services on other than market terms, gratuities or gifts of more than \$200 in the previous 12 months (not including examination copies of text books or the value of any business meals).

“Employee” – includes any person placed on the payroll or retained as a consultant, whether or not an independent contractor.

“Immediate Family” – a person’s spouse, parents and parents-in-law, children, siblings and their spouses.

“Organization” – a trust or corporation (including any subsidiary or parent, or a corporation under common control of such corporation), joint venture, partnership, unincorporated association, or individual proprietorship.

“Directors” – means a member of the Board.

B. Board of Directors:

Directors shall disclose any known conflict of interest and shall avoid participating in any decision or advocating any subject matter before the Board or



with Organization's personnel in which the Director or a member of his or her immediate family has a real or potential conflict of interest. When a Director learns that a business transaction presents a conflict of interest, he or she must make an immediate, full disclosure to the Chairman of the Board (President) (or in the case of the Chairman, to a President Elect) of his or her interest in the subject. The Director shall not participate in any discussion of or decision on the issue. Failure to make disclosure shall void any resulting agreement at the option of the Organization.

Within the provisions of the prior paragraph, this policy shall not prohibit a Director, an organization that employs a Director, or an organization in which a Director has financial interest (1) from pursuing an Organization R.F.P. or contract to be awarded by competitive bidding or (2) from supplying services to the Organization as a public utility.

The State Office and President of the Organization shall obtain a disclosure form from each Director periodically and prior to a Director's first attendance at a Board meeting.

C. Administrative Officers:

TABSE's elected Board Members shall immediately disclose to Board of Directors any known conflict of interest and shall avoid participating in any decisions or deliberations related to the Organization Business Transaction in which a potential or actual conflict of interest exists.

Any Board Member who fails to disclose a conflict of interest rest shall be disciplined in line with the nature and the severity of infraction. When appropriate, discipline shall include restitution to the organization of the benefit received or the value of any opportunity the organization lost. A board member also have an obligation to disclose knowledge of another board member's potential conflict of interest when they have reason to believe a conflict of interest may exist.

D. Members and Staff:

1. In General

Every Board Member and members of the staff of the organization shall immediately disclose to his or her affiliate president and the Executive Director in the State Office any business transactions that present an actual or potential conflict of interest. As applied to members, failure to disclose will be considered "Adequate Cause" on which to take discipline under the *Personnel/Member's Handbook*, as a failure to observe professional standards. Staff shall also disclose any conflict of interest related to any



research in which they are involved. In the case of the Executive Director, He/She shall immediately disclose information to the Board of Directors.

2. Provisions of Particular Application to Members

a) Consulting and Related Activities

The ability of members to engage in non-Employment in the mode of outside consulting is set forth in the *Member Handbook*, which indicates that the primary professional responsibility of each member is to the organization. In explication of the definition of "Conflict of Interest," outside consulting activities bear upon this Policy as follows:

E. Annual Statements

Each Director, Officer, Appointed or Elected Committee Member shall annually sign a statement which affirms that 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 that the Organization is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes;
- (e) Signs, receives a copy and maintains a signed copy at the National Office.

F. Periodic Reviews

The Ethics Committee shall periodically consider whether and how this Conflicts of Interest Policy should be revised or amended to better meet its objectives. In connection with any periodic review conducted by the Organization to ensure that it operates in a manner consistent with its charitable purposes, the Ethics Committee shall report on the matters referred to it and their resolution.

G. Violations of the Conflicts of Interest Policy

If there is reasonable cause to believe that a member, officer, appointed or elected committee member or individual has failed to



disclose an actual or possible conflict of interest, the Ethics Committee shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the individual and making such further investigation as may be warranted in the circumstances, the Ethics Committee determines that the individual has in fact failed to disclose an actual or possible conflict of interest, it shall recommend to the Board of Directors appropriate disciplinary and corrective action.

The violation of this conflicts of interest policy is a serious matter and may constitute "cause" for removal or termination of a Member or Officer, appointed or elected committee or individual or the termination of any relationship the Organization may have with an Interested Person or other party.

I have read, understand and agree to comply to each of the terms of the Conflict of Interest Policy. I have received a signed copy of the agreement and a copy will be maintained at the State Office.

Signature

Date

Printed Name