

(This policy was chosen to allow transactions if most advantageous)

**Conflict of Interest Policy for  
Association of Sycamore Schools Parent  
Organizations (ASSPO)  
(and all subordinate PTOs  
as identified by IRS)**

**Article I – Purpose**

The purpose of this conflict of interest policy is to comply with IRS recommendations and to protect the tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or member or 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 non-profit organizations.

**Article II- Definitions**

1. **Interested Person** – Any PTO officer or member of a committee with decision making power 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 PTO has a transaction or arrangement
  - b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, or
  - c. A potential ownership or investment interest in or compensation arrangement with, any entity or individual with which the PTO is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

**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 to its executive board or committee chairperson if the transaction exceeds \$500.
2. **Determining Whether a Conflict of Interest Exists** – After having heard the material facts regarding the transaction, the executive board must determine if a conflict of interest exists.

3. **Procedures for Addressing the Conflict of Interest** – If the governing body determines that a conflict of interest may exist, they may appoint a disinterested third party to investigate alternatives to the proposed transaction or arrangement.
  - a. After exercising due diligence, the executive board or committee shall determine if the PTO 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.
  - b. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the executive board or committee shall determine by the majority vote of the disinterested directors whether the transaction or arrangement is in the PTO's best interest, for its own benefit and whether it is fair and reasonable. It shall then make its decision as to whether it is fair and reasonable. It shall then make its decision as to whether to enter into the transaction or arrangement.

#### **Article IV – Records of Proceedings**

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

1. 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 executive board's or committee's decision as to whether a conflict of interest is fact exists.
2. The names of 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, and a record of any votes taken in connection with the proceedings.

#### **Article V - Annual Statements**

Each officer and member of a committee with spending authorizations shall annually sign a statement which affirms that they have:

1. Received a copy of the conflict of interest policy.
2. Read and understood the policy
3. Agreed to comply with the policy, and
4. Understood that ASSPO (and all its subordinate PTOs) is non-profit, and in order to maintain federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Approved February 18, 2016 by ASSPO Executive Council**