

NKUCFC CONFLICT OF INTEREST POLICY

Article I

Purpose

The purpose of the conflict of interest policy is to protect the interest of Northern Kentucky Urban and Community Forestry Council (NKUCFC) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of NKUCFC. The policy is intended to comply with federal and state codes, especially as pertains to the issuance of grants.

Article II

Definitions

1. Interested Person

Any person on the council, who has a direct or indirect financial interest in any NKUCFC financial transaction involving federal or state grant money, as defined below, is considered 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 NKUCFC has a transaction or arrangement, or
- b. A compensation agreement with NKUCFC or with any entity or individual with which NKUCFC has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which NKUCFC is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate selection 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 Council regarding the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the NKUCFC meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. Before NKUCFC seeks any potential Federal or State grant money, a grant committee must be formed.
- b. Any member of NKUCFC with a potential of conflict of interest may not participate in this grant committee.

- c. If the grant committee decides to form a separate bid grading committee, no person with a potential conflict of interest may participate in this grading subcommittee.
 - d. Minutes must be kept in all meetings of any committee assembled to write grants, write RFPs, and grade bids. All those attending should be recorded in the minutes.
 - e. When in the course of NKUCFC meetings the status of the grant committee or if any details of the grant are discussed, the member with a potential conflict of interest must leave the NKUCFC meeting for the duration of that exchange.
 - f. If any members of the grant or grading committees are thought by any other members of NKUCFC to be unable to remain objective in the grading of bids, whether in potential favor or opposition of the member with an identified potential conflict of interest, their continued participation may be challenged at any full, regularly scheduled NKUCFC meeting scheduled prior to the announced date of grading. Any interested party attending that meeting will have two minutes of time to present their arguments for or against the participation of committee members. After all members have had a chance to speak, the continued participation of the challenged committee member will be determined by a full vote of attending NKUCFC members.
 - g. If any member of NKUCFC, at any time prior to or following the selection committee's grading of bids feels that any malfeasance has occurred regarding the selection of a vendor, they may call for a meeting of the Executive Council. At this meeting, they may express their arguments. The Executive Council may seek additional information or comments from other members. The Executive Council may then decide whether or not to take further action.
 - h. The NKUCFC Conflict of Interest Policy and our Procurement Policy should be written into all NKUCFC Requests For Proposal.
 - i. A meeting open to all potential vendors should be offered in all NKUCFC Requests For Proposals.
4. Violations of the Conflicts of Interest Policy
- a. If the NKUCFC or its Executive Council 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 believe 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 NKUCFC or its Executive Council determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of all NKUCFC, committee, and subcommittees 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 NKUCFC'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
Annual Statements

Every year at the January meeting, the Chairman must remind all members of NKUCFC that this Conflict of Interest Policy and our NKUCFC Procurement Policy exists. Any member of NKUCFC serving on any committees assembled to request and delegate Federal and State grant monies and all members serving selection committees assembled to grade bids, and all NKUCFC officers must sign a statement which affirms such persons:

- a. Have received a copy of the conflicts of interest policy,
- b. Have read and understands the policy,
- c. Have agreed to comply with the policy, and
- d. Understands NKUCFC is a charitable nonprofit and, which will need to maintain compliance with federal and state grant codes, and must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VI
Periodic Reviews

To ensure NKUCFC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status or ability to receive and award Federal or State grant funds, periodic reviews 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 the partnerships, joint ventures, and arrangements with management organizations conform to NKUCFC'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.

When conducting the periodic reviews, financial audits or IRS reports, as provided for in Article VII, NKUCFC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Council of its responsibility for ensuring periodic reviews are conducted.