

**CONFLICT OF INTEREST POLICY**  
**OF**  
**NEW YORK STATE RANGER SCHOOL ALUMNI ASSOCIATION, INC.**

**ARTICLE I**  
**PURPOSE**

NEW YORK STATE RANGER SCHOOL ALUMNI ASSOCIATION, INC. (the "**Corporation**") has adopted this policy to ensure that its directors, officers, or key persons act in the Corporation's best interest. The Corporation shall comply with this policy when considering whether to enter into a transaction that may benefit the private interest of, or provide an excess benefit to, a private individual or entity. Such transactions are governed by the Internal Revenue Code, U.S. Department of Treasury regulations, and the New York Not-for-Profit Corporation Law. This policy is intended to supplement state and federal laws governing conflict of interests applicable to nonprofit and tax exempt organizations.

**ARTICLE II**  
**DEFINITIONS**

1. "**Affiliate**" means any entity controlled by, or in control of, the Corporation.
2. A "**Conflict of Interest**" arises if a director, officer, Key Person, committee member, or any Relative thereof, has an existing or potential business, financial or personal interest or holds an elected or appointed position that could impair or might reasonably appear to impair the exercise of independent, unbiased judgment in the discharge of his or her responsibilities to the Corporation.

The term "**financial interest**" for purposes of this definition includes, but is not limited to, a direct or indirect (i) ownership or investment interest in any entity with which the Corporation or an Affiliate has a transaction or arrangement; (ii) compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

For purposes of clarity, Conflicts of Interest include Related Party Transactions.

3. The term "**compensation**" includes direct and indirect remuneration and gifts or favors that are not insubstantial and excludes reimbursement for expenses reasonably incurred as a director or reasonable compensation for services as a director.
4. An "**Independent Director**" is a member of the Corporation's governing board who:

- a. is not now, and has not been an employee or Key Person of the Corporation or an Affiliate within the last three (3) years;
- b. has no Relative who is, or has been an employee or Key Person of the Corporation or an Affiliate within the last three (3) years;
- c. has not received, and has no Relative who has received, more than \$2,000 in compensation from the Corporation or any Affiliate within the last three (3) years;
- d. is not, nor has a Relative who is currently employed by, and has no, nor has a Relative who has, a financial interest in an entity which has made payments to, or received payments from, the Corporation for services or property in any of the last three (3) fiscal years in excess of the following:

<b>Corporation's Annual Consolidated Gross Revenues</b>	<b>Threshold Amount</b>
Less than \$500,000	The lesser of \$2,000 or 2% of the Corporation's consolidated gross revenues
\$500,000 - \$10,000,000	\$25,000
\$10,000,000 +	\$100,000

- e. is not and has no Relative who is a current owner (whole or partial), director, officer, or employee of the Corporation's outside auditor or who has worked on the Corporation's audit at any time during the past three years.

The term "**payment**" for purposes of this definition excludes charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services are available to individual members of the public on the same or similar terms.

- 5. A "**Key Person**" is any person, other than a director or officer, whether or not an employee of the Corporation, who:
  - a. has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers or influence of directors and officers;
  - b. manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or
  - c. alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

6. A "**Related Party**" is any person who is:
  - a. a director, officer, or Key Person of the Corporation or an Affiliate;
  - b. any Relative of a person listed in Paragraph 6.a.; or
  - c. any entity in which any of the individuals listed in this Paragraph 6 has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.
  
7. A "**Related Party Transaction**" is any transaction, agreement or any other arrangement in which a Related Party has an existing or potential business, financial or personal interest and in which the Corporation or any Affiliate is a party. A transaction is excluded from this definition if:
  - a. it or the Related Party's existing or potential business, financial or personal interest is de minimis;
  - b. it would not be customarily reviewed by boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; and
  - c. it would provide a benefit to a Related Party solely as a member of a class of beneficiaries that the Corporation benefits as part of the accomplishment of its mission and which benefit is available to all similarly situated members of the same class on the same terms.
  
8. "**Relative**" means spouse, domestic partner (as defined in applicable law), parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, siblings, half-siblings, or the spouse or domestic partner of any of the foregoing. Relatives include individuals related to by whole or half-blood, or through adoption.

**ARTICLE III**  
**ANNUAL DISCLOSURE STATEMENTS**

Prior to initial election or appointment and annually thereafter, each director, officer or Key Person shall disclose to the Corporation the existence of any actual or potential Conflicts of Interest and all related material facts by completing a conflict of interest disclosure form ("**Disclosure Form**"). The Corporation must provide Disclosure Forms to each director, officer or Key Person, assure their completion, and monitor the disclosed relationships. All Disclosure Forms must be submitted to the Secretary of the Corporation who shall then provide copies of all completed Disclosure Forms to the governing board or authorized committee of the Board.

In addition, each director, officer or Key Person must confirm that he or she has (a) read and understands the Conflict of Interest policy; (b) agrees to comply with this Conflict of Interest

Policy, and; (c) understands that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **ARTICLE IV PROCEDURES**

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

Each officer, director, or Key Person must disclose the existence of an actual or potential Conflict of Interest to the governing board, or a committee of the Board, orally or in writing, as soon as practicable after it arises.

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

- a. If the (i) disclosing officer, director or Key Person and (ii) board or committee considering the issue giving rise to the actual or potential Conflict of Interest agree that an actual Conflict of Interest exists, that board or committee must follow the procedure provided in Article IV, Section 3 below.
- b. If either the (i) disclosing officer, director or Key Person or (ii) the board or committee considering the issue giving rise to the Conflict of Interest is unsure whether an actual Conflict of Interest exists, that board or committee must assure that the governing board or authorized committee of the Board is informed of the disclosure and all relevant facts.
- c. After (i) consideration of the disclosure and all relevant facts and (ii) any discussion deemed appropriate by the governing board or authorized committee of the Board with the disclosing officer, director or Key Person, such person shall leave the meeting of the governing board or authorized committee of the Board while the determination of the Conflict of Interest is deliberated and voted upon.

### **3. Procedures for Addressing Actual Conflicts of Interest**

- a. Procedural Requirements for All Actual Conflicts of Interest
  - i. The officer, director or Key Person with a Conflict of Interest may present information, as background, that he or she has related to the issue to be voted upon to the governing board or authorized committee of the Board, but may not be present during any deliberations or voting related to the issue giving rise to the Conflict of Interest.
  - ii. The officer, director or Key Person with a Conflict of Interest may not make any attempt to improperly influence the deliberation or voting on the issue to be voted upon.
  - iii. The existence and resolution of a Conflict of Interest must be documented in the Corporation's minutes of any meeting at which the Conflict of

Interest was discussed, or voted upon, in accordance with Article IV hereof.

b. **Additional Procedural Requirements for Related Party Transactions**

- i. In addition to the requirements imposed in Article IV, Section 3.a above, the chairperson of the governing board or authorized committee of the Board shall, to the extent available, investigate alternatives to the proposed Related Party Transaction. The chairperson may delegate this responsibility to a director or a committee.
- ii. After exercising due diligence and reviewing any identified alternative arrangements or transactions, the governing board, or authorized committee of the Board, shall make the determinations set forth below, without the presence or participation of the Related Party:
  1. Whether the Corporation is able to obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Related Party Transaction.
  2. If not, whether the Related Party Transaction (a) is in the Corporation's best interest, (b) for the Corporation's own benefit, and (c) whether it is fair and reasonable.
- iii. If the governing board, or authorized committee, determines by a majority vote that the Related Party Transaction is in the Corporation's own best interest, for its own benefit, and is fair and reasonable, it may enter into the Related Party Transaction.

**4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or authorized committee of the Board has reasonable cause to believe an officer, director or Key Person has failed to disclose actual or potential Conflicts of Interest, it shall inform such person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the officer, director or Key Person's response and after making further investigation as warranted under the circumstances, it is determined that he or she did fail to disclose an actual or potential Conflict of Interest, the governing board or authorized committee of the Board shall take appropriate disciplinary and corrective action.

**5. Compensation**

- a. Persons who receive compensation, directly or indirectly, from the Corporation, whether as employees or independent contractors, are precluded from membership on any committee of the Board whose jurisdiction includes the payment of compensation to any person.

- b. A director may deliberate and vote on matters concerning compensation paid by the Corporation to members of the governing board that is to be made available or provided to all members of the governing board on the same or substantially similar terms.

**ARTICLE V  
RECORDS OF PROCEEDINGS**

All minutes of the Corporation shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or potential Conflict of Interest, the nature of the actual or potential Conflict of Interest, any action taken to determine whether a Conflict of Interest was present, and the decision as to whether a Conflict of Interest in fact existed.
2. The names of the persons who were present for discussions, deliberations and votes relating to the proposed transaction or arrangement giving rise to the Conflict of Interest, 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 VI  
PERIODIC REVIEWS**

To ensure the Corporation operates in a manner consistent with its purposes and does not engage in activities that could jeopardize its tax-exempt status, the Corporation shall conduct periodic reviews. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information.
2. Whether partnerships, joint ventures, and arrangements with management and service companies conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**ARTICLE VII  
USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

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THE FOREGOING DOCUMENT IS A TRUE AND ACCURATE COPY OF THE CONFLICT OF INTEREST POLICY OF **NEW YORK STATE RANGER SCHOOL ALUMNI ASSOCIATION, INC.** DULY ADOPTED BY THE BOARD OF DIRECTORS ON \_\_\_\_\_, 2019.

**ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM  
OF  
NEW YORK STATE RANGER SCHOOL ALUMNI ASSOCIATION, INC.**

This form shall be completed upon initial appointment and annually thereafter by individuals who serve, or during the past year have served, as an officer, Key Person or member of the governing body of **NEW YORK STATE RANGER SCHOOL ALUMNI ASSOCIATION, INC.** (the "**Corporation**") or any of its Affiliates. By completing this form, you are showing ethical behavior and attentiveness to good business judgment in a transparent manner. You are also complying with laws that relate to the organization's not-for-profit and tax-exempt status and filing of the IRS Form 990. Unless otherwise set forth herein, all capitalized words shall have the meaning set forth in the Conflict of Interest Policy.

**INSTRUCTIONS:** Please answer the following questions, to the best of your knowledge, as they may apply to you or any of your Relatives, and as they apply currently or in the past three (3) years. Attach additional explanation page(s) as needed. Forward any questions you have to the President of the Corporation.

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1. Do you or any of your Relatives hold, or have you or a Relative held, any position as an owner, shareholder, member, manager, partner, director, trustee, officer, Key Person or consultant for a business entity that has done business, is doing business or seeks to do business with the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

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2. Except as stated in your answer to Question 1, do you or any Relative have, or have you or a Relative had, a business, financial or employment relationship with, or any other interest in, any business entity that has done business, is doing business or seeks to do business with the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

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3. Except as stated in your answer to Questions 1 and 2, have you or any Relative received or enjoyed, directly or indirectly, any gift, entertainment, compensation, reward, or other benefit during the past year from any business entity that has done business, is doing business or seeks to do business with the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

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4. Are you or any of your Relatives an owner, director, officer or employee of any auditing or accounting firm that has worked on the audit of the Corporation or any Affiliates of the Corporation at any time during the past three (3) years?

NO

YES

IF YES, PLEASE EXPLAIN:

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5. Have you or do you have a Relative who currently or in the past three (3) years has been an employee of the Corporation or any Affiliates of the Corporation with direct compensation in excess of \$10,000.00?

NO

YES

IF YES, PLEASE EXPLAIN:

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6. Have you, or has any Relative received a loan, or do you or any Relatives owe any outstanding amount on a loan, or received or enjoyed, directly or indirectly, any gift, grant or other assistance from the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

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7. Do you have a family relationship or a business relationship with any other individual who is an officer, governing board member or Key Person the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

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8. Are you, or to your knowledge is any Relative, a member of the governing board, an officer, Key Person, or consultant to, or have any other interest in any other business entity other than the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

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**ACKNOWLEDGEMENT:**

I hereby acknowledge that I have received a copy of the **NEW YORK STATE RANGER SCHOOL ALUMNI ASSOCIATION, INC.** Conflict of Interest policy and that I have read, understand and agree to comply with said policy. I have read this conflict of interest disclosure form and answered the questions to the best of my knowledge. I understand that I have an affirmative obligation at all times to report any changes in my responses that may result from changes in circumstances before my next annual disclosure is due.

PRINT NAME: \_\_\_\_\_

SIGNED: \_\_\_\_\_

Title(s) or position(s) held within

\_\_\_\_\_ : \_\_\_\_\_ DATE: \_\_\_\_\_