

Selinsgrove Projects Incorporation

CONFLICT OF INTEREST POLICY

The purpose of this conflict of interest policy is to protect the Selinsgrove Projects Incorporation's (SPI) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and/or federal laws governing conflict of interest applicable to nonprofit and charitable organizations. It is applicable to all members of the Board of Directors (the "Board") and to all Officers and Staff of SPI.

Article I: Definitions

1. Interested Person:

Any director, officer, member of a committee with Board delegated powers or member of the SPI's staff (as designated by the Board and the Program Director), who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest:

A person has a financial interest if that person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the person knows or has reason to know that SPI has a transaction or arrangement,
- b. A compensation arrangement with SPI or with any entity or individual with which the person knows or has reason to know that SPI 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 person knows or has reason to know that SPI 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 II, Section 2, a person who has a financial interest may have a conflict of interest only if the Board or applicable committee decides that a conflict of interest exists.

Article II: 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 Board delegated powers considering 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 Board or committee 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. An interested person may make a presentation at the 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 President or committee chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether SPI can obtain, 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 that do not produce a conflict of interest, the Board or committee shall determine by a majority vote whether the transaction or arrangement is in SPI's best interest and for its benefit and whether it is fair and reasonable. In conformity with the above determination it shall make a decision whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy:

- a. If the Board or committee has reasonable cause to believe that an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the interested person of the basis for this belief and afford that person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing that person's response and after making further investigation as warranted by the circumstances, the Board or committee determines that the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article III: Records of Proceedings

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

- a. (i) 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; (ii) the nature of the financial interest; (iii) any action taken to determine whether a conflict of interest was present; and (iv) the Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. (i) The names of the persons who were present for discussions and votes relating to the transaction or arrangement; (ii) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and (iii) a record of any votes taken in connection with the proceedings.

Article IV: Annual Statements

Each director, officer, member of a committee and staff with Board delegated powers shall annually sign a statement which affirms that he/she:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that SPI is a charitable organization and must engage primarily in activities which accomplish one or more of its tax exempt purposes in order to maintain its federal tax exemption.

Article V: Periodic Reviews

To ensure that SPI operates in a manner consistent with its exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Executive Committee. The periodic reviews shall, at a minimum, state:

- 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 SPI's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further SPI's charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VI: Use of Outside Experts

When conducting the periodic reviews as provided in Article V, SPI may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Selinsgrove Project Incorporation
("SPI")

CONFLICT OF INTEREST POLICY
AND
DISCLOSURE QUESTIONNAIRE
2015

Selinsgrove Project Incorporation ("SPI") is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important for its continued financial stability and public support. The Board of Directors has adopted a conflict of interest policy that requires all SPI directors, officers, members of committees and staff who can influence the decision-making of the organization to disclose any potential or actual conflicts of interest.

Please complete the questionnaire below. If you answer "yes" to any of the questions, please provide a written description of the details of the specific action or transaction in the space provided. If additional space is required, please attach additional sheets as needed.

In order to be comprehensive as possible, the questionnaire requires you to provide information with respect to certain "affiliated parties." These include:

1. Family - spouse, partner, child(ren), parent(s), sibling(s);
2. Business - any business corporation in which you are an owner, officer, partner, key employee, debt holder or significant shareholder, and
3. Nonprofit Organization - any other nonprofit organization, trust or foundation where you serve as a director, officer or employee.

PRINT NAME: _____

CAPACITY: _____

Board of Directors
Officer (position)
Staff (position)

FINANCIAL INTERESTS

A conflict may exist where an interested person benefits, directly or indirectly, as a result of a decision, policy or transaction made by SPI. During the past twelve months:

- a. Have you or any affiliated person provided services or property to SPI?

YES

NO

If yes, please describe the nature of the services or property. If an affiliated person is involved, please identify that person and your relationship.

- b. Has SPI offered employment to you (not applicable to existing staff) or to any affiliated person?

YES

NO

- c. Have you or any affiliated person been provided with a gift or favor of a substantial nature from a person or entity that does business or is seeking to do business with SPI?

YES

NO

- d. Have you or any affiliated person been gratuitously provided significant use of the facilities, property or services of SPI?

YES

NO

- e. Have you or an affiliated person been in a position to benefit financially from an action or transaction made by SPI?

YES

NO

OTHER INTERESTS

A conflict may also exist where an interested person obtains a non-financial benefit or advantage not otherwise available absent his or her relationship with SPI, or where a fiduciary duty owed to SPI conflicts with a duty owed to another organization. During the past twelve months:

- a. Did you make use of any confidential information obtained from SPI for your own benefit or for the benefit of an affiliated person?

YES

NO

- b. Did you take advantage of an opportunity or enable an affiliated person to take advantage of an opportunity that you had reason to believe would be of interest to SPI?

YES

NO

- c. Do you or an affiliated person have an interest in any pending legal proceedings involving SPI?

YES

NO

- d. Are you aware of any other events, transactions, arrangements or other situations that have occurred or which may occur in the future that should be examined by the Board of Directors in accordance with the terms and intent of SPI's conflict of interest policy? If so, please describe the situation.

YES

NO

ACKNOWLEDGMENT

I HEREBY CONFIRM that I have read and understand SPI's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my knowledge, information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or incomplete, I will promptly notify the President of the Board of Directors in writing.

Signature

Date

Printed Name