



Conflict of Interest Policy

I. Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of the East Carolina Alumni Association, Inc. ("the Association") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association 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 conflicts of interest applicable to nonprofit and charitable organizations.

II. Definitions

A. Interested Person

Any director, principal officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest

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

1. has an ownership or investment interest in any entity with which the Association has a transaction or arrangement;
2. has a compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement;
3. has a potential ownership or investment interest in, or potential compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement;
4. is a member, director, or officer of an organization with which the Association has entered into or is contemplating entering into a transaction or arrangement; or
5. any other situation in which reasonable and independent persons could suspect that a conflict of interest may exist.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

In accordance with the ECUEAA Operating agreement; No Foundation scholarship or fellowship award may be made to an officer, director, or employee of the Foundation or to a family member of such person unless the recipient of the award is determined by an independent awards committee.

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 board or committee decides that a conflict of interest exists. A transaction or arrangement is not prohibited simply because a conflict of interest exists.

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III. Procedures

A. Duties to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors or members of committees with governing board-delegated powers considering the proposed transaction or arrangement.

B. 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 or she shall be asked to leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors or committee members will decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the board or committee meeting, but after such presentation, he or she shall be asked to leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the board or committee will determine whether the Association 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee will determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and fair and reasonable. It will make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

D. Violations of the Conflict of Interest Policy

1. If the board or committee has reasonable cause to believe that a person has failed to disclose an actual or possible conflict of interest, it will inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the response of the person and making further investigation as warranted by the circumstances, the board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

IV. Records of Proceedings

The minutes of the board and all committees with board-delegated powers will contain:

- 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 board's or committee's decision as to whether a conflict of interest in fact existed;
- 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.

V. Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers will annually sign statements that affirm that such person:

- has received a copy of this conflicts of interest policy,
- has read and understands this policy,
- has agreed to comply with the policy,
- has disclosed all known actual and possible conflicts of interest involving such person and his or her family members, and
- understands that the Association 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.

VI. Periodic Reviews

To ensure that the Association operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews will be conducted. The periodic reviews will, at a minimum, include the following subjects:

- whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining;
- whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or an excess benefit transaction; and
- whether agreements for services and agreements with organizations, employees, and third party payers further charitable purposes and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

VII. Use of Outside Experts

When conducting the periodic reviews, the Association may, but need not, use outside advisors. If outside experts are used, their use will not relieve the board of its responsibility for ensuring that periodic reviews are conducted.



Conflict of Interest Statement

In order to assure that the highest standards of ethical and fiduciary standards are maintained by the EAST CAROLINA ALUMNI ASSOCIATION, INC., I, _____
(print full name), a board member and/or officer (circle one or both) of the Association, affirm that:

- a. I received a copy of the Association's conflict of interest policy.
- b. I read and understand the policy.
- c. I agree to comply with the policy.
- d. I understand that the Association is a tax exempt organization and should not engage in activities that could jeopardize its tax exempt status.

Signature

Date