

Carolina Dance Collaborative (CDC) Conflict of Interest Policy

Article I: Purpose

It is in the best interest of CDC to be aware of and properly manage all conflicts of interest and appearances of a conflict of interest. This conflict of interest policy is designed to help directors, officers, employees and volunteers of the CDC identify situations, transactions or arrangements that might benefit the private interests of an officer or director of CDC or might result in a possible excess benefit. This policy will provide CDC with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in CDC operations. 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.

Article II: Definitions

2.01 Interested person- Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below.

2.02 Financial Interest- A person has financial interest if the person has directly or indirectly, through business, investment or family;

(a) An ownership or investment interest in a any entity with which CDC has a transaction or arrangement,

(b) A compensation arrangement with CDC or with any entity or individual with which the CDC has a transaction or arrangement, or

(c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CDC is negotiating a transaction or arrangement

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

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a person who has influence over the activities or finances of the nonprofit. All such circumstances should be disclosed to the board or staff, as appropriate, and a decision made as to what course of action the organization or individuals should take so that the best interests of the nonprofit are not compromised by the personal interests of stakeholders in the nonprofit.

Article III: Procedures

3.01 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 Board or Executive Committee. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.

3.02 Recusal of Self -Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3.03 Determining whether a conflict of Interest Exists- After disclosure of all financial interest and material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while remaining members discuss and vote on whether a conflict of interest exists.

3.04 Procedures for addressing the conflict of interest

(a) An Interested person may make a presentation at the governing board or committee meeting, but after presentation he/she shall leave the governing board or committee meeting during discussion and voting on the transaction or arrangement involving the possible conflict of interest.

(b) The Chairperson of the Board or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c)After exercising due diligence, the governing board or committee shall determine whether CDC can obtain, with reasonable effort, a more advantageous transaction or arrangement in the best interest of CDC.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in CDC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

3.05 Violations of Conflict of Interest

(a) If the Board or Executive Committee 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 belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If the Board or Executive Committee still has reason to believe a conflict of interest still exists after alleged conflict is explained, it shall take appropriate disciplinary and corrective action.

Article IV: Minutes

The minutes of the governing board and all committees 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 Board's or Executive 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: Compensation

- (a) A voting member of the Board who receives compensation, directly or indirectly, from CDC for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CDC for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CDC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

6.01 Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- 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 CDC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

6.02 If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.

6.03 The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VII: Periodic Reviews

To ensure CDC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, 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 (if reasonably available), and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to CDC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable

purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Article VIII: Use of Outside Experts

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

CERTIFICATE OF ADOPTION OF CONFLICT OF INTEREST POLICY AND AGREEMENT

I do hereby certify that the above stated Conflict of Interest Policy and Agreement of Carolina Dance Collaborative, were approved and adopted by the board of directors on December 28, 2017 and constitute a complete copy of the Conflict of Interest Policy of the corporation.

Secretary: Teagan Hance

Date: 12/28/17