

CONFLICTS OF INTEREST POLICY FOR NONPROFIT ORGANIZATIONS

ARTICLE I Purpose

The purpose of the Conflicts of Interest Policy is to protect Hebrew College's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of the College. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit charitable corporations.

ARTICLE II Definitions

1. Interested Person

Any trustee, principal officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is a interested person. If a person is an interested person with respect to any entity in the group of affiliated organizations of which the College is a part, he or she is an interested person with respect to all entities in the group.

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 the College has a transaction or arrangement, or
 - b. a compensation arrangement with the College or with any entity or individual with which the College has a transaction or agreement, or
 - c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the College is negotiating a transaction or arrangement.
3. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

ARTICLE III Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the trustees 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, the interested person shall leave the board or committee meeting while the financial 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. The board or committee chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - b. After exercising due diligence, the board or committee shall determine whether the College can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
 - c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the College's best interest and for its own benefit and whether the transaction is fair and reasonable to the College and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
4. In order to fully implement the procedures contained in the Conflicts of Interest Policy, the executive committee shall review, at the initiation of the board chair, all potential and existing conflicts of interest as disclosed to him or her, and shall make recommendations to the board of trustees concerning the nature and extent of the situation presented and whether or not such situation poses a conflict of interest. Recommendations to the board may include, but not be limited to, requiring the interested person to terminate his/her financial interest in the transaction that causes the conflict, asking the interested person to resign from the board of trustees, or concluding that the conflict has no and will not have a detrimental effect on the corporation. In conducting its investigation, the executive committee may use outside advisors, legal counsel and the professional staff of the College.
5. In all cases involving conflicts of interest, including cases in which an interested trustee serves on the executive committee, the interested trustee shall recuse himself/herself from discussions and votes on the transaction at issue.
 - a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member.

ARTICLE VII
Periodic Reviews

To ensure that the College operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether acquisitions of services result in inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements and arrangements with other organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the College's charitable purposes and do not result in inurement or impermissible private benefit.

ARTICLE VIII
Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, the College 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.

CONFLICT OF INTEREST STATEMENT

I, the undersigned, an officer or a member of the board of directors of Hebrew College, have received a copy, read and fully understand the Conflict of Interest Policy and agree to comply fully therewith. Pursuant thereto, the following report is submitted:

- No Conflict of interest exists or has occurred.

- A Conflict of interest may exist and the following information is disclosed therewith:

- Possible or Actual Conflicts of Interest:

On an attached sheet please describe in detail the acts or interpretation that you interpret as probable or possible conflicts of interest.

Signature: _____

Name (printed): _____

Date: _____