

# ***PVHS BAND BOOSTERS, INC.***

## **CONFLICT-OF-INTEREST STATEMENT**

### **Reason for Statement**

PVHS BAND BOOSTERS, INC., as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of PVHS BAND BOOSTERS, INC. first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between PVHS BAND BOOSTERS, INC. and its board and officers, a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board and officers have the responsibility of administering the affairs of PVHS BAND BOOSTERS, INC. honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of PVHS BAND BOOSTERS, INC. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with PVHS BAND BOOSTERS, INC. or knowledge gained there from for their personal benefit. The interests of the organization must have first priority in all decisions and actions.

### **Persons Concerned**

This statement is directed not only to board members and officers, but to all booster members and volunteers who can influence the actions of PVHS BAND BOOSTERS, INC. For example, this includes all who make purchasing decisions, all other persons who might be described as committee chairpersons, and all who have proprietary information concerning PVHS BAND BOOSTERS, INC.

### **Key Areas in Which Conflict May Arise**

Conflicts of interest may arise in the relations of board officers, and committee chairpersons with any of the following third parties:

- Persons and firms supplying goods and services to PVHS BAND BOOSTERS, INC.
- Persons and firms from whom PVHS BAND BOOSTERS, INC. leases property and equipment
- Donors and others supporting PVHS BAND BOOSTERS, INC.
- Agencies, organizations, and associations that affect the operations of PVHS BAND BOOSTERS, INC.
- Family members, friends
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- **Nature of Conflicting Interest**

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms described as third parties. Such an interest might arise, for example, through

- Owning stock or holding debt or other proprietary interests in any third party dealing with PVHS BAND BOOSTERS, INC.
- Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with PVHS BAND BOOSTERS, INC.
- Receiving remuneration for services with respect to individual transactions involving PVHS BAND BOOSTERS, INC.
- Using PVHS BAND BOOSTERS, INC.'s time, personnel, equipment, supplies, or good will other than for approved PVHS BAND BOOSTERS, INC. activities, programs, and purposes
- Receiving personal gifts or loans from third parties dealing with PVHS BAND BOOSTERS, INC. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

**Interpretation of This Statement of Policy**

The areas of conflicting interest and the relations in those areas that may give rise to conflict, as described above, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the officers and board members will recognize such areas and relation by analogy.

The fact that one of the interests described above exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance. Or, if material, that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of PVHS BAND BOOSTERS, INC.

However, it is the policy of the board that the existence of any of the interests described above shall be disclosed on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of officers and board members (including committee chairpersons) to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

**Disclosure Policy and Procedure**

Disclosure should be made according to PVHS BAND BOOSTERS, INC. policy. Transactions with related parties may be undertaken only if all of the following are observed:

- A material transaction is fully disclosed in the audited financial statements of the organization;
- The related party is excluded from the discussion and approval of such transaction;
- A competitive bid or comparable valuation exists; and
- The organization's board has acted upon and demonstrated that the transaction is in the best interest of the organization.

Disclosures should be made to the Board President, (or if he or she is the one with the conflict, then to the remaining members of the Executive Board), who shall bring them to the attention of the broader board – inclusive of committee chairpersons. The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to PVHS BAND BOOSTERS, INC. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of PVHS BAND BOOSTERS, INC. and the advancement of its purpose.