



ACHIEVEMENT CENTERS FOR CHILDREN
POLICY ON CONFLICTS OF INTEREST

WHEREAS, the varied interests and backgrounds of the Directors, Officers and members of the Management Team of the Achievement Centers for Children, could result in situations where a potential conflict of interest might be presented; and

WHEREAS, the service of such Directors, Officers and members of the Management Team should not be rendered impossible solely by reason of possible conflict of interest; and

WHEREAS, a possible conflict of interest on the part of such Directors, Officers and members of the Management Team can most properly be addressed by full disclosure of any such interest and by the abstention from voting on any matter where any possible conflict of interest is or might be thought to be involved;

NOW, THEREFORE, BE IT:

RESOLVED: That the Conflicts of Interest Policy attached hereto is hereby adopted:

BE IT FURTHER RESOLVED: That a copy of this Policy shall be furnished to each Director, Officer and member of the Management Team who is presently serving the Achievement Centers for Children or who may hereafter become associated with the Achievement Centers for Children; and

BE IT FURTHER RESOLVED: That this Policy be reviewed annually for the information and guidance of Directors, Officers and members of the Management Team and that any new Directors, Officers or members of the Management Team of the Achievement Centers for Children be advised of the policy upon undertaking the duties of each office and that an acknowledgement of receipt of the Policy be obtained.

Board approved March 07, 2017
(By Peplin)

ACHIEVEMENT CENTERS FOR CHILDREN POLICY ON CONFLICTS OF INTEREST

Section 1. Purpose. The purpose of this conflict of interest policy is to protect the interest of the Achievement Centers for Children (“the Corporation”) in situations in which the personal or other interests of a Director, Officer, or member of the Management Team of the Corporation may conflict with the interests of the Corporation. This policy is intended to supplement but not replace the applicable provisions of the Ohio Nonprofit Corporation Law.

Section 2. Definitions.

- (a) Interested Person. Any Director, principal officer, or member of a committee with Board of Directors 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 has, directly or indirectly, through business, investment or family: (I) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, (II) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or (III) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. Under Section 3.2, 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.

Section 3. Procedures.

Section 3.1. 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 and must be given the opportunity to disclose all material facts to the Board of Directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement.

Section 3.2. 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 or she shall leave the Board of Directors meeting while the financial interest is discussed and voted upon. The remaining Board of Directors or committee members shall decide if a conflict of interest exists.

Section 3.3. Procedures for Addressing the Conflict of Interest. If pursuant to Section 3.2, a conflict of interests is deemed to exist:

- (a) An interested person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

- (b) The Board of Directors 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 of Directors or committee shall determine whether the Corporation 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.
- (d) 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 of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Section 3.4. Violations of the Conflicts of Interest Policy.

- (a) If the Board of Directors or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board of Directors and all committees with Board of Directors delegated powers shall contain:

- (a) The names of the person who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the name of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Director'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 therewith.

Section 5. Compensation Committees. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

Section 6. Annual Statements. Each Director, principal officer and member of a committee with Board delegated powers shall annually sign a statement, which affirms that such person:

- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Review. To ensure that the Corporation 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 whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

Section 8. Use of Outside Experts. In conducting the periodic reviews provided for in Section 7, the Corporation 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.