



MCSCAA
OPERATIONAL POLICIES AND PROCEDURES

OPP No. 15 – Conflict Of Interest Policy

Revision 0

Date Adopted: October 17, 2024

1. Policy:

It is the Policy of the Montgomery County Sheriff Citizen's Academy Alumni Association, Inc., hereto referred as the "Association", to protect the tax-exempt interest of the Association when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an Executive Board Member or Enrolled Member 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 conflict of interest applicable to nonprofit and charitable organizations.

2. Definitions:

- A. **Interested Person** - Any Enrolled Member or Executive Board Member who has a direct or indirect financial interest as defined below is an Interested Person. If an individual is an Interested Person with respect to any entity which the Association is a part, he or she is an Interested Person with respect to all entities.
- B. **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 Association has a transaction or arrangement,
 - b. A compensation with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
 - c. A potential ownership or investment in, or compensation arrangement with, any in today or individual with which the Association is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts for favors that are not insubstantial.

- d. A financial interest does not necessarily constitute a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Board decides that a conflict of interest exists.

3. Procedures:

- A. **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 Executive Board considering the proposed transaction or arrangement.
- B. **Determining a Conflict of Interest** - After disclosure of a financial interest in all material facts, and after any discussion with the Interested Person, he or she shall leave the Executive Board while the determination of a conflict of interest is discussed and voted upon. The Executive Board shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest:

- A. An Interested Person may make a presentation at an Executive Board meeting, but after the presentation he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- B. The President of the Executive Board shall, if appropriate, appoint a disinterested person or request the MCSO Advisory Board to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the Executive Board shall 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.
- D. If a more advantageous transaction or arrangement is not reasonably possible or desirable under circumstances not producing a conflict of interest, the eligible voting officers of the Executive Board shall determine by majority vote, whether the transaction or arrangement is in the Association'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.
- E. An officer with financial interest in a vote before the Executive Board shall abstain from participation in the discussion and voting.

END