

# SCARSDALE SHS PTA CONFLICTS OF INTEREST STANDING RULE

## (Adopted May 2020)

Pursuant to the New York Nonprofit Revitalization Act of 2013 and related amendments (“NY nonprofit laws”), the Scarsdale High School PTA (“SHS PTA”) adopts this policy to ensure that SHS PTA decisions, operations, and use of its assets are in the best interests of SHS PTA and are not influenced by any private benefit, financial or otherwise, to the members of SHS PTA who participate in its decision-making or to other related parties or organizations in which SHS PTA board members play a significant role.

### **Duty of Loyalty**

All officers, directors, and board members owe a duty of loyalty to SHS PTA to act in good faith and in the best interests of the organization. Officers, directors, and board members are obliged to avoid actions that constitute or could be perceived or interpreted to be in conflict with SHS PTA's interests, financial or otherwise. Officers, directors, and board members may speak publicly on behalf of SHS PTA only when expressly authorized by the SHS PTA President or SHS PTA Executive Committee.

No officer, director, or board member shall use his/her position on SHS PTA or the knowledge gained therefrom in a manner that competes with or undermines the interests or concerns of SHS PTA. No such individual shall disclose or use SHS PTA's confidential or proprietary information for personal profit or advantage or to the profit or advantage of other **non-SHS PTA/PTA** organizations, including those with which SHS PTA, the Scarsdale Council of Parent Teacher Associations or any of the seven Scarsdale PTA units may have a liaison or business relationship.

### **Conflict of Interest**

A conflict of interest may arise when an officer, director, or board member has an existing or potential financial interest or other material allegiance that impairs or might appear to impair his/her independence or objectivity in the discharge of his/her responsibilities and duties to SHS PTA. Conflicts of interest are not a reflection on the integrity of the individual involved. Although it is impossible to list every circumstance, the following activities appear to involve a potential conflict and should be disclosed:

1. Holding, directly or indirectly, a financial interest or any position in any concern with which SHS PTA does business or that provides like services/programs, or with which SHS PTA has a liaison or business relationship.
2. Competing, directly or indirectly, with SHS PTA in the purchase or sale of property or property rights, interests or services.
3. Rendering services to any outside concern that does business with or competes with SHS PTA.
4. Accepting gifts, entertainment, or other favors from any concern that competes with SHS PTA or that does or seeks to do business with SHS PTA under circumstances that might influence the performance of the individual's duties for SHS PTA.
5. Entering into contracts, transactions, or conducting business with any organization or business owned or controlled by a parent or family who currently has a child in the school.<sup>1</sup>
6. Serving as a SHS PTA committee chair while holding simultaneously the same leadership/chair position on the parallel committee of another non-SHS PTA/PTA local community civic organization or Village/Town board or council.<sup>2</sup>

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<sup>1</sup> For purposes of example only, SHS PTA should exercise caution and try to avoid entering into financial transactions that would benefit one of its members directly.

<sup>2</sup> For purposes of example only, the SHS PTA school budget study chair may not be able to simultaneously serve as the school budget study chair on behalf of the League of Women Voters of Scarsdale or the Scarsdale Forum, two local civic organizations that traditionally issue public statements concerning the proposed school budget.

### **Initial Disclosures of Relevant Interests and Ongoing Duty to Update**

Prior to the election or appointment as a SHS PTA officer, director, or board member, such individuals shall disclose in writing any relevant interest that they and their immediate family members may have that may pose a potential conflict of interest. Said disclosure statements shall be updated at least annually and whenever any new potential conflicts may arise. Such disclosures shall indicate:

1. Any entity in which such person or an immediate family member of such person is an officer, director, trustee, member, owner, or employee and with which SHS PTA has a relationship;
2. Any financial interest such person or an immediate family member of such person may have in any corporation, organization, partnership, or other entity which provides goods or services to SHS PTA for a fee or other compensation; and
3. Any position or other material relationship such person or an immediate family member of such person may have with any not-for-profit corporation with which SHS PTA has a liaison or business relationship.

### **Procedures for Addressing Potential Conflicts of Interest When They Arise**

Should a question arise in the mind of any officer, director, or board member as to a potential conflict between an individual interest or those of an immediate family member, full disclosure of all facts pertaining to such potential conflict shall be made to the SHS PTA Executive Committee. The disclosure of a relationship shall not, by itself, constitute a conflict of interest. Fact-gathering and subsequent review by SHS PTA Executive Committee will determine whether or not an actual conflict exists.

Pursuant to the NY nonprofit laws, the individual having the conflict may participate in any discussion regarding the nature of his/her conflict but shall not at any time attempt to influence the deliberation or voting by any other member of SHS PTA on the matter giving rise to the conflict. The individual having the conflict may be allowed to offer factual information to the Board or Committee prior to leaving the room. The individual having the conflict shall not be present at any portion of a meeting of the SHS PTA Executive Committee or Board during which the matter giving rise to the conflict is subject to deliberation or a vote. The minutes of the meeting of SHS PTA shall reflect that the conflict of interest was disclosed and that the interested person was not present during the deliberations leading up to the decision on the matter.

With respect to any transaction involving SHS PTA in which an officer, director, or board member or an immediate family member of one of them has a substantial financial interest, SHS PTA shall:

1. Prior to entering into the transaction, consider alternative transactions to the extent available;
2. Approve the transaction by not less than a majority vote of the disinterested SHS PTA members present at the meeting; and
3. Contemporaneously document in writing the basis for SHS PTA's approval, including its consideration of any alternative transactions.

Annual disclosure statements in the form of the attached document shall be submitted to the SHS PTA Recording Secretary to be maintained in SHS PTA's files and made available to any officer, director, or board member upon request. The Secretary also shall provide a copy of all completed statements to the President.

## Potential Conflict of Interest Disclosure Form

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

[ ] I agree that I have been given, I have read, and I understand the SHS PTA Conflicts of Interest Standing Rule and I agree to be bound to it.

[ ] I agree that I have disclosed, and will promptly disclose, to the President any and all interests as described in the Conflicts of Interest Standing Rule.

[ ] I agree that I have no undisclosed interests that would contravene the Conflicts of Interest Standing Rule.

Please use the space below to list and briefly describe any affiliations, or material roles, or financial interests, and those of your immediate family members, with any non-PTA entity with which SHS PTA has an existing relationship, financial, liaison, or otherwise, or with which SHS PTA might foreseeably have such a relationship. For example, please itemize all local community or Village/Town organizations, boards, and councils other than SHS PTA in which you or your immediate family member is an officer, director, trustee, member, owner, or employee.

I affirm that the foregoing information is true and complete to the best of my knowledge and that should any of my responses to this form change at any time, I will notify **SHS PTA**.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_