



Conflict of Interest Policy

PCMS PTSA Board of Directors

Updated 1.16.21

The purpose of Pacific Cascade Middle School PTSA's (PCMS PTSA) Conflict of Interest Policy protects our tax-exempt, organizational interests when contemplating entry into transactional arrangements, benefiting one party's financial interests. PCMS PTSA's Conflict of Interest Policy intends to supplement, but not replace, applicable WA State PTA, WA State, and federal laws regulating non-profit and charitable organizations.

1. Conflict of Interest Policy applies to all PCMS PTSA Board of Directors (BOD), general membership, and other individuals authorized to purchase and conduct business on behalf of PCMS PTSA, who must immediately disclose any conflict of interest to BOD, concerning direct or indirect conflicts and/or financial interests.
 - a. "Financial interest" is defined as benefiting, direct or indirect, from businesses, investments, or family involvement, as part of conducting transactional arrangements with PCMS PTSA.
 - b. Compensatory transactional arrangements involving entities or individuals.
 - c. Potential ownership or investment interests where PCMS PTSA negotiates transactional arrangements.
 - d. Compensation includes all direct and indirect remunerations, as well as insubstantial gifts or favors.
 - e. All financial interests are not necessarily deemed "Conflict of Interest." Under policy, transactional arrangements may be appropriate when reviewed and voted upon by BOD, after determining if conflict exists.
2. Procedures for Identifying Conflict of Interest
 - a. Personal Duty to Disclose
 - i. Individual responsibility to disclose connection with conflict of interest, and/or conflicting financial interests to BOD.
 - ii. Opportunity to personally communicate all material facts and documentation to BOD.
 - b. Determining Whether Conflict of Interest Exists
 - i. After full disclosure of conflict of interest, financial interests, documentation, and material facts, individual shall leave BOD meeting during discussion and vote, concluding if conflict exists.
3. Procedures in Addressing Conflict of Interest
 - a. Review and summarize connection with conflict of interest, and/or conflicting financial interests.
 - b. After evaluation and discussion, individual shall leave meeting during BOD discussion and vote.
 - c. BOD President shall, if appropriate, appoint disinterested committee to investigate proposed alternatives for transactional arrangement.
 - d. After proper due diligence, BOD determines whether PCMS PTSA may obtain other advantageous transactional arrangements from another party or entity, without conflict of interest.
 - e. If more advantageous transactional arrangement is not reasonably possible, BOD shall determine by majority vote of disinterested directors whether transactional arrangement is in PCMS PTSA's best interests, and appropriate substitution. In conformity with above determinations, BOD shall then vote on final decision.
 - f. BOD members receiving compensation for services, directly or indirectly, from PCMS PTSA will be precluded from voting on matters pertaining to defined compensation.
 - g. Other individual members, whose involvement or jurisdiction includes specified compensation, directly or indirectly, shall be prohibited from providing compensation information, and precluded from voting on all matters in defined conflict of interest.
 - h. Reimbursement under financial policies is not considered compensation.
4. Violations of Conflict of Interest Policy

- a. With reasonable cause, and/or failure to properly disclose conflict of interest, the involved member will promptly be notified by the BOD of specific concerns, and afforded opportunity to explain alleged failures to disclose conflict of interest.
 - b. If, after hearing member's response and through further investigations, as warranted by circumstances, BOD will determine if member failed to disclose possible conflict of interest, taking appropriate disciplinary and corrective action, including breach in Conflict of Interest Policy may result in removal from PCMS PTSA.
 - c. Documentation of Proceedings shall Include:
 - i. Name of individual who disclosed or found having conflict and/or financial interests in connection with possible conflict of interest; nature of conflicting and/or financial interests; action taken to determine whether conflict of interest occurred; BOD's decision whether or not conflict of interest existed.
 - ii. For the record, names of persons present for discussions; statement of conflict; transactional arrangement updates or status; count of proceedings vote.
5. PCMS PTSA operates in manner consistent with charitable purposes, not engaging in activities that would jeopardize tax-exempt status. Periodic reviews shall be conducted, at a minimum to include:
- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and resulting of arm's length bargaining. (Reference: buyers and sellers acting independently without party influence, not subject to pressure; no collusion between parties.)
 - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to PCMS PTSA's written policies, and properly recorded to reflect reasonable investment or payments of goods and services, furthering charitable purposes, not resulting in insurance, impermissible private benefit, and/or in-excess benefit transactions.
 - c. When conducting periodic reviews, as provided, Pacific Cascade Middle PTSA may utilize outside advisors, not relieving the BOD's responsibility for ensuring conducted periodic reviews.
6. Each BOD member, with delegated governing powers, shall annually sign PCMS PTSA Conflict of Interest Policy statement within 15 days of election or appointment, affirming such person:
- a. Receives copy of updated Conflict of Interest Policy,
 - b. Reads and understands Conflict of Interest Policy,
 - c. Agrees to comply with Conflict of Interest Policy
 - d. Understands PCMS PTSA must maintain federal tax exemptions to singularly accomplish non-profit purposes and goals.

By signing the enclosed document, I commit to adhering to PCMS PTSA's Conflict of Interest Policy, ensuring our community remains reflective in our mission and principals for all Pacific Cascade Middle School PTSA members.

Signature: _____

Board Member Name: _____

Board Position: _____

School Year: _____ Date: _____