The purpose of conflict of interest policy is to protect the interest of The Cincinnati Foundation for Mortuary Education d.b.a. Cincinnati College of Mortuary Science (the “College”) when it is contemplating entering into a transaction or arrangement that might benefit a private interest or might result in a possible excess benefit transaction for an officer, a member of the Board of Trustees (“BOT”), and/or employee of the College. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

**Article II – Definitions**

**Interested Person**
If a person is an officer, BOT member or employee that has the power to bind the College, and if that individual has a direct or indirect Financial Interest (as defined below), he or she is defined as an “Interested Person.”

**Financial Interest**
A person has Financial Interest if the person has, directly or indirectly, through business, investment, or family relationship: an ownership or investment interest in any entity with which the College has a transaction or arrangement; a compensation arrangement with the College or with any entity or individual with which the College has a transaction or arrangement; or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the College is negotiating a transaction or arrangement.

As used herein, “compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. As used herein, “transactions and arrangements” with the College do not include customary charges paid by members such as dues, seminar fees, and normal purchases of member products and services at no more than fair market value.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Paragraph 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.
Article III – Procedures

Duty to Disclose
In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of any Financial Interest and be given the opportunity to disclose all material facts to the other members of the board or the committee considering the proposed transaction or arrangement.

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 or committee meeting while other members shall decide if a conflict or Financial Interest exists.

Procedures for Addressing the Conflict of Interest
If it is determined that a person’s Financial Interest results in a conflict of interest, then the Interested Person may make a presentation at the board or committee 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 conflict of interest. The chair of the BOT or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the BOT or committee shall determine whether the College can obtain with reasonable efforts a more advantageous transaction or arrangement.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine in good faith reasonably by the material facts, by a majority vote, whether the transaction or arrangement is in the College’s best interest, for its 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.

Violations of the Conflict of Interest Policy
If the board or committee has reasonable cause to believe an Interested Person has failed to disclose a Financial Interest, it shall inform the Interested Person of the basis for such belief and afford him or her the opportunity to explain the alleged failure to disclose.

If, after hearing the Interested Person’s explanation, and after making further investigation as warranted by the circumstances, the board or committee determines the Interested Person has failed to disclose a Financial Interest, it shall take appropriate disciplinary and corrective action.

No individual who has an actual conflict of interest shall be required to resign his or her position with CFME/CCMS merely because of the existence of a conflict of interest. However, the remaining members of the BOT may make a fair and full evaluation of all facts pertaining to the conflict of interest to determine its extent. If the remaining members of the BOT make a determination in writing that the capture and extent of the conflict of interest is so substantial and of such a continuing nature that it would be impossible for the individual to discharge the duties of his or her office with the requisite degree of loyalty and integrity, then the BOT may require the resignation of the individual who is subject to the conflict of interest.
Article IV – Records of Proceedings

The minutes of the BOT or committee meeting shall contain:

The names of the persons who disclosed or otherwise were found to have a Financial Interest, the nature of the Financial Interest, any action taken to determine whether the Financial Interest created a conflict of interest was present, and the BOT’s or committee’s decision as to whether a conflict of interest, in fact, existed.

In addition, the minutes shall disclose the names of the persons present for discussion and notes 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 the proceedings.

Article V – Compensation

The College shall not pay compensation to any director or member of a committee. Reimbursement of expenses is permissible – subject to the College’s Reimbursement Policy.

Article VI – Periodic Reviews

To ensure the College operates in a manner consistent with tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects.

➤ Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the results of arm’s length bargaining.
➤ Whether partnerships, joint ventures, and arrangements with management organizations conform to the College’s policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax-exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Policy Adopted: May 2009 with no amendments noted to date.

Signature Acknowledgement - Annual

Board Officers and members annually acknowledge by signature the Conflict of Interest Policy and acts in accordance with Carvers Governance Model for Non-Profits, the Code of Regulations, and approved Board Policies.

The Board of Trustees Liaison facilitates the electronic signature acknowledgment process for each member of the Board annually. For questions regarding the policy, please contact the Board Liaison at bot@ccms.edu.