



## **Council/Cabinet of Delta Gamma Fraternity Conflict of Interest Policy and Annual Statement**

### **1. Purpose Statement**

- a. The purpose of this Conflict of Interest policy is to protect Delta Gamma Fraternity's interests when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interests of a Council/Cabinet member of Delta Gamma Fraternity or might result in a possible excess benefit transaction.
- b. This policy is intended to supplement, but not replace, any applicable state and federal laws governing Conflicts of Interest applicable to nonprofit and charitable organizations.

### **2. Applicability and Scope Statement**

- a. This Conflict of Interest statement is designed to provide guidance to the Council/Cabinet of Delta Gamma Fraternity in identifying situations that present potential Conflicts of Interest and to provide Delta Gamma Fraternity with a procedure which, if observed, will allow a transaction, contract, or arrangement to be treated as valid and binding even though a Council/Cabinet member has or may have a Conflict of Interest.
- b. This policy is based upon the IRS model Conflict of Interest policy, which is an attachment to Form 1023. It adds the information needed to allow Delta Gamma Fraternity to assess Council/Cabinet member independence in order to answer questions on Form 990.

**3. References.** Refer to the Delta Gamma Constitution and the Council Handbook.

**4. Effective Date.** Immediately.

**5. Definitions**

- a. Conflict of Interest: A Conflict of Interest is an actual or perceived interested by a Council/Cabinet member or member of her family in an action or outcome to be determined or influenced by the Council/Cabinet that results in, or has the appearance of resulting in personal, financial, organizational, or professional gain for that Council/Cabinet member.
  - 1. A member of her family is defined as a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister of a Council/Cabinet member.
- b. Interested person: Any Council/Cabinet member with governing delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
- c. Financial interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - 1. An ownership or investment interest in any entity with which Delta Gamma Fraternity, Delta Gamma Foundation, or Delta Gamma Housing Corporation has a transaction, contract, or arrangement.
  - 2. A compensation arrangement with Delta Gamma Fraternity, Inc. or with any entity or individual with which Delta Gamma Fraternity, Delta Gamma Foundation, or Delta Gamma Housing Corporation has a transaction, contract, or arrangement.
  - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Delta Gamma Fraternity, Delta Gamma Foundation, or Delta Gamma Housing Corporation is negotiating a transaction, contract, or arrangement.
  - 4. Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Council decides that a conflict of interest exists, in accordance with this policy.

## **6. Responsibilities**

- a. Duty to Disclose: With respect to any particular matter pending before Council/Cabinet, each Council/Cabinet member shall disclose to the Fraternity President and Executive Director any relationship or other factor that could reasonably be considered to cause the Council/Cabinet member to be considered to have a Conflict of Interest.
- b. Duty to Disclose Financial Interest: 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 Council/Cabinet.
- c. Recusal of Self: Any Council/Cabinet member may recuse herself at any time from involvement in any decision or discussion in which the Council/Cabinet member believes she has or may have a Conflict of Interest, without going through the process for determining whether a Conflict of Interest exists.
- d. Annual Statement and Verification: Each Council/Cabinet Member shall annually sign a statement which affirms such a person:
  - i. Has received a copy of the Conflict of Interest policy,
  - ii. Has read and understands the policy
  - iii. Has agreed to comply with the policy, and
  - iv. Understands Delta Gamma Fraternity, Inc. is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- e. The Council/Cabinet shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking actions as are necessary for effective oversight.

## **7. Procedures**

1. Determination of the Existence of a Conflict of Interest: After disclosure of a possible conflict of interest, and after any discussion with the Council/Cabinet member involved, she shall leave the meeting of the Council while the remaining members

make a determination whether a Conflict of Interest does exist and the measures to be taken to avoid being influenced by those interests.

2. Determining Whether a Financial Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, she shall leave the Council meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Council members shall decide if a conflict of interest exists.
3. Addressing the Conflict of Interest
  - i. An interested person may make a presentation at the Council meeting, but after the presentation, she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - ii. When the Council has concluded that a Conflict of Interest exists, the Fraternity President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction, contract, or arrangement.
  - iii. After exercising due diligence, the Council shall determine whether Delta Gamma Fraternity, Inc. can obtain with reasonable efforts a more advantageous transaction, contract, or arrangement from a person or entity that would not give rise to a conflict of interest.
  - iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Council shall determine by a majority vote of the disinterested directors whether the transaction, contract, or arrangement is in Delta Gamma Fraternity'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, contract, or arrangement.
4. Violations of the Conflicts of Interest Policy
  - i. If any member of Council/Cabinet has reasonable cause to believe that another member of Council/Cabinet has failed to disclose any actual or possible conflict of interest, she shall inform the Council/Cabinet of the basis for such belief

and afford the member an opportunity to explain the alleged failure to disclose.

- ii. If, after hearing the member's response and after making further investigation as may be warranted by the circumstances, the Council determines the member has failed to disclose an actual or possible conflict of interest, it shall take such corrective action as it deems appropriate under the circumstances.

## Council/Cabinet Member Annual Conflict of Interest Statement

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

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

I affirm the following:

- I have received a copy of the Conflict of Interest Policy. I have read and understand the policy.
- I agree to comply with the policy.
- I understand Delta Gamma Fraternity, Inc. is a charitable organization and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

I have read, understood, and agree to abide by the Delta Gamma Council/Cabinet Conflict of Interest Policy and Annual Statement. If a possible Conflict of Interest arises in my responsibilities to Delta Gamma Fraternity, I recognize that I have the obligation to call it to the attention of the Council of Delta Gamma Fraternity, as set forth in this policy.

I have an actual or perceived Conflict of Interest:

I have a potential or known financial interest:

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

Date of Signature: \_\_\_\_\_