



ASSOCIATION FOR  
**Orientation • Transition • Retention**  
 IN HIGHER EDUCATION

# 1. Conflict of Interest Policy

## 1.1 Purpose

The purpose of the conflict of interest policy is to protect NODA's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a volunteer or staff member of NODA. 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.

## 1.2 Definitions

### 1.2.1 Interested Person

Any appointed or elected volunteer or staff member with governing board delegated powers, who has a direct or indirect financial or personal interest in a NODA transaction/agreement/policy as defined below.

### 1.2.2 Financial Interest

1.2.2.1 A person has a financial interest if the person has, directly or indirectly, through business, investment, other nonprofit involvement, or family:

- An ownership, compensation, or investment interest in any entity with which NODA has a transaction or arrangement,
- A *potential* ownership, compensation, or investment interest with any entity or individual with which NODA is negotiating a transaction or arrangement.

1.2.2.2 Compensation includes direct and indirect payment as well as substantial gifts or favors. Whether a gift or favor is considered substantial is up to the discretion of the group governing the conflict of interest in question.

1.2.2.3 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 NODA Board of Directors decides that a conflict of interest exists.

### 1.2.3 Personal Interest

1.2.3.1. A person may have personal interests if the individual obtains, either directly or indirectly, a non-financial benefit or advantage that they would not have obtained absent their relationship with the Association.

1.2.3.2. Personal interests may also exist when a person's duty or responsibility owed to the Association conflicts with a duty or responsibility owed to another organization/individual:

- seeking to obtain preferential treatment by the Association for themselves or relative or business associate;
- making use of confidential information obtained from the Association for their own benefit or for the benefit of a relative, business associate, or other organization; or
- taking advantage of an opportunity or enable a business, organization or family to take advantage of an opportunity which they have reason to believe would be of interest to the Association.

### 1.3 Notice

Each volunteer and staff member with governing board delegated powers shall annually disclose any possible conflicts of interest and sign a statement which affirms that they have: received, read and understand the policy; agree to comply with the policy; and understands that NODA, as a non-profit association, must engage primarily in activities which accomplish its mission.

### 1.4 Procedures

#### 1.4.1 Duty to Disclose

In regards to any actual or possible conflict of interest, the person in question must disclose the existence of the possibility and be given the opportunity to disclose all facts to the members of the NODA Board of Directors considering the proposed transaction or arrangement.

#### 1.4.2 Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all relevant facts, and after any discussion with the interested person in question, he/she shall leave the NODA Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining NODA Board of Director members shall decide if a conflict of interest exists.

#### 1.4.3 Procedures for Addressing the Conflict of Interest *(If a valid conflict of interest is determined)*

1.4.3.1 The person involved in the conflict of interest surrounding a NODA transaction may make a presentation at the NODA Board of Directors meeting, but after the presentation he/she shall leave the meeting during the discussion and vote on the transaction.

1.4.3.2 The President of the NODA Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

1.4.3.3 After exercising due diligence, the NODA Board of Directors shall determine which entity (ie. vendor/individual), to do business with. The NODA Board of Directors shall determine by a majority vote whether the transaction is in NODA's best interest, for its own benefit, and whether it is fair and reasonable.

1.4.3.4 Any volunteer or staff member may report a suspected conflict of interest to the NODA Board of Directors.

### 1.5 Violations of the Conflicts of Interest Policy

1.5.1 If the NODA Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and give the member an opportunity to explain the alleged failure to disclose.

1.5.2 If, after hearing the member's response and after making further investigation as warranted by the circumstances, the NODA Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### 1.6 Annual Policy Review

Each volunteer and staff member with governing board delegated powers shall annually sign a statement which affirms that they:

- Have received a copy of the conflict of interest policy,
- Have read and understands the policy,
- Has agreed to comply with the policy, and

- Understands the Organization is charitable 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.