



*Policy for Colorado Foundation for Agriculture, Inc., dba Colorado Agriculture in the Classroom*

## **CONFLICT OF INTEREST POLICY**

### **Purpose**

This conflict of interest policy is designed to ensure that voting members of the board of directors and employees of Colorado Agriculture in the Classroom (CoAITC), a tax exempt nonprofit organization, identify situations that present possible conflicts of interest and to provide appropriate procedures if a possible conflict of interest arises. It is also intended to ensure that decisions are not influenced by any private profit or other personal benefit to the individuals affiliated with CoAITC that participate in such decisions. 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.

### **Definitions**

1. A **"conflict of interest"** arises when a person in a position of authority over CoAITC, such as a voting member of the board of directors or employee (a) stands to gain a financial benefit from an action the organization takes or a transaction into which the organization enters, including indirect benefits such as to family members or businesses with which the person is closely associated; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the board director or employee in discharging their duties to the organization.
2. An **"interested person"** is any member of the board of directors, member of a committee with governing board-delegated powers, or key employee, who has a direct or indirect financial interest, as defined below.
3. A person has a **"financial interest"** if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which CoAITC has a transaction or arrangement,
  - b. A compensation arrangement with CoAITC or with any entity or individual with which CoAITC has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CoAITC is negotiating a transaction or arrangement.

Compensation includes direct or 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 CoAITC Board of Directors or CoAITC Governance Committee decides that a conflict of interest exists.

### **Procedures**

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person should disclose the existence of the interest and be given the opportunity to disclose all material facts to the board of directors or governance committee considering the proposed transaction or arrangement.
2. **Determining Whether a Conflict of Interest Exists:** After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she/they shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors, employees, or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest:**
  - a. An interested person may make a presentation at the board of directors or governance committee meeting. After the presentation, he/she/they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The chairperson of the board of directors or governance committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the board of directors or governance committee shall determine whether CoAITC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
  - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board of directors or governance committee shall determine by a majority vote of the disinterested directors/committee members whether the transaction or arrangement is in CoAITC'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 or arrangement.
4. **Violations of Conflicts of Interest Policy:**
  - a. If the board of directors or governance committee 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 afford the member an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board of directors or governance committee

determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and correction action up to and including dismissal from the volunteer position or termination of employment.

### **Records of Proceedings**

The minutes of the board of directors and/or governance committee shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes 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 with the proceedings.

### **Compensation**

- a. A voting member of the board of directors who receives compensation, directly or indirectly, from CoAITC for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CoAITC for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the board of directors or any board-delegated governing committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CoAITC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **Annual Statements**

Each director, employee, and member of a committee with governing board-delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands CoAITC 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.

### **Periodic Reviews**

To ensure CoAITC operates in a manner consistent with charitable 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:

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

### **Use of Outside Experts**

When conducting the periodic reviews as provided for above, CoAITC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

### **ACCEPTANCE OF CONFLICT OF INTEREST POLICY**

The Colorado Agriculture in the Classroom Board of Directors has received a copy of, read and understood, and agreed to comply with the terms and conditions of this Conflict of Interest policy.

Approved and accepted on November 1, 2023.

*Keri Powers*

[Keri Powers \(Nov 20, 2023 07:01 PST\)](#)

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Keri Powers, CoAITC Board of Directors President

**Nov 20, 2023**

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Date