



Scholarships for the students of Tulsa Public Schools

Conflict of Interest Policy

Adopted by the Board of Trustees, January 30, 2025

Article 1 - INTRODUCTION:

The Oklahoma Educational Memorial Trust Foundation (“the Foundation”) is committed to observing the highest standards of ethical conduct in its operations and expects its trustees, officers, employees, and independent contractors to do the same. The Board of Trustees (the "Board") of the Foundation has adopted this Conflict of Interest Policy (the "Policy") to ensure that the Foundation remains committed to its charitable purpose. *The Board’s trustees have signed copies of this document.*

Article 2 - PURPOSE:

The purpose of this Policy is to protect the Foundation's interest when it is considering a transaction that might privately benefit a trustee, officer, or other senior decision maker, as well as to avoid any excess benefit transactions.

This Policy is also intended to ensure that the Foundation continues to operate in accordance with its tax-exempt purpose.

Article 3 - DUTY OF LOYALTY:

Trustees, officers, and governing committee members, including those acting as principals for the Foundation (“Interested Parties”), owe the Foundation a duty of loyalty. Such duty of loyalty requires Interested Parties to avoid using their position with the Foundation for personal advantage or gain. Interested Parties must also avoid any action, including voting, if applicable, where the Interested Party's personal interest, including financial interest, could conflict with the interests of the Foundation.

Article 4 - DEFINITIONS:

Conflict of Interest: A conflict of interest occurs when an Interested Party has an interest in any matter involving the Foundation that directly or indirectly conflicts with the interests of the Foundation. Specifically, conflicts of interest can occur when Interested Parties have competing financial interests or personal relationships in opposition to the Foundation (referred to as "Direct Conflicts of Interest") or are related to someone with a



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competing financial interest or opposing personal relationship (referred to as "Indirect Conflicts of Interest"). The Interested Party may be related by blood, marriage, or business

affiliation. Conflicts of interest may also arise where an Interested Party has decision-making authority in an entity that may be involved in a business relationship or financial transaction with the Foundation.

- a. The following examples of potential conflicts of interest are to be considered illustrative, but non-exhaustive:
 - a. When an Interested Party stands to personally benefit financially through a transaction the Foundation may be involved with;
 - b. When an Interested Party has an ownership interest, including through investment, in another entity with which the Foundation intends to transact or do business;
 - c. When an Interested Party enters or maintains an agreement to be compensated by the Foundation (for the purposes of this clause, Trustees who are also employees of the Foundation may have a conflict in certain situations, such as voting on compensation);
 - d. When an Interested Party joins or creates a competing Foundation;
 - e. When an Interested Party or an entity in which an Interested Party has an ownership interest competes with the Foundation in a purchase, sale, contract bid, or other interest or service;
 - f. When an Interested Party utilizes confidential information belonging to the Foundation for any reason that is not related to the Interested Party's work for the Foundation, such as personal profit or for the benefit of another entity;
 - g. When an Interested Party uses the Foundation's resources for any competing interest; or
 - h. When an Interested Party participates in decision-making or negotiations for the Foundation in a matter in which the Interested Party, a person related to the Interested Party, or an entity in which the Interested Party has an ownership interest is also involved.



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Potential Conflict of Interest: A potential conflict of interest occurs when an Interested Party recognizes that a conflict of interest may take place if ameliorating action is not taken. Potential conflicts of interest do not always lead to actual conflicts of interest. Interested Parties that have a potential conflict of interest will need to follow the procedures outlined in the Conflict Disclosure section below. The Foundation seeks to

avoid the appearance of impropriety, as even potential conflicts of interest can be damaging to the Foundation's reputation. Therefore, all potential conflicts of interest must be treated with due care and disclosed according to the procedures outlined here.

Article 5 - CONFLICT PROCEDURES:

- a. Interested Parties shall disclose potential conflicts of interest to the Board as soon as is practicable after becoming aware of the potential conflict, as described above. Interested Parties are also required to complete an annual disclosure form to describe any ongoing interest that may create a conflict.
- b. Evaluation. After the Board receives any potential conflict or conflict disclosure from an Interested Party, the Board may request follow-up discussions or additional information. At this point, the Board will decide whether an actual conflict exists and whether it involves financial interest, material competition, self-dealing, or any other type of conflict. The Interested Party shall be screened from any discussions or voting regarding the conflict. The Board may fully determine the issue on a vote or may refer it to a specialized committee for additional investigation. Evaluation of conflicts is made on a case-by-case basis.
- c. Factors for consideration. The Board may consider any factor it wishes in determining whether a conflict exists. Some of the factors for consideration may include:

Whether the Interested Party's financial interest is minimal, in relation to the transaction

How involved the Interested Party is with the other entity involved in any transaction with the Foundation



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The degree to which the Interested Party could personally benefit from the transaction or relationship at issue

d. Determination of self-dealing. If the Board or committee determines that an actual conflict exists, the Board or committee must also determine whether a self-dealing transaction is at issue. If so, the entirety of the Board must vote on whether to approve the transaction, and the transaction must be approved by a greater vote than other Board actions. In other words, if the Board generally approves actions via a simple majority, a greater vote than this is needed to approve a self-dealing transaction.

Approval of compensation for a trustee acting as trustee or officer shall not be considered a self-dealing transaction.

e. Determination of transactional conflict. If the Board or committee determines that an actual conflict exists involving a financial transaction or arrangement, but it is not self-dealing, the Board will consider alternative scenarios that would not present a conflict. If the Board determines an appropriate alternative exists, the Board shall pursue that avenue. If an appropriate alternative does not exist, the Board shall determine whether the original proposed course of action is in the Foundation's best interest and take a vote on such issue, in which a majority is required.

f. Determination of other conflict. In any other scenario in which the Board or committee determines a conflict exists, the Board or committee shall recommend a reasonable and appropriate course of action to protect the Foundation. The governing body shall discuss the issue and determine how best to proceed forward.

Article 6 - POLICY VIOLATIONS:

If an Interested Party fails to disclose any potential or actual conflict, the Board shall first request an explanation from the Interested Party. The Board may then determine appropriate action, including disciplinary action if required.

Article 7 - RECORDS:

The Board or relevant committee shall retain all records of discussions and votes regarding any presented conflict or potential conflict. The records must specifically include:



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- a. The name of the Interested Party or Parties;
- b. How the conflict was brought to the attention of the Board (whether disclosed or found out);
- c. The nature of the possible conflict, including financial interest involved;
- d. The Board or committee's actions regarding fact-finding and investigation on the conflict or potential conflict;
- e. The Board or committee's discussions, decision, and vote;
- f. The names of all parties present for any discussion or votes.

Article 8 - ABSTENTION FROM VOTES ON COMPENSATION:

No Board member who is compensated for their services towards the Foundation may vote on their own compensation.

Article 9 - ANNUAL STATEMENTS:

All individuals required to abide by this Policy must sign a statement each year attesting that they have received a copy of the Policy, they read and understand the Policy, they agree to comply with the Policy, and they understand the Foundation's maintenance of its charitable activities and federal tax exemption depends on its undertaking primarily of activities that support its charitable purpose.

Any individual that believes they have ongoing relationships or interests that may present a conflict must also make an annual disclosure, as described above, and is responsible for updating such disclosure upon the occurrence of any material change.

Article 10 - REVIEWS:

The Foundation will periodically review certain subjects to maintain alignment with its charitable purposes. The review shall include at least:

- a. Compensation and benefit arrangements, to ensure they are reasonable and formalized through arm's length bargaining;



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- b. Transactional arrangements, including partnerships or joint ventures, to ensure they are in line with the Foundation's policies and do not confer a private benefit on any party or result in an excess benefit transaction; and
- c. Compensation reviews of the President and Chief Financial Officer of the Foundation.

The Foundation may use outside advisors to conduct the above reviews, but responsibility for the reviews ultimately lies with the Board.

This Policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to nonprofit and charitable Foundations.

Certification:

Rick Arrington, as President of the Foundation's Board of Trustees and **Kelly Gibson**, as Secretary, do certify this is a true and correct copy of the Foundation's Conflict of Interest Policy and that this Policy was adopted by the Board on January 30, 2025.

President Signature: __signed by Rick Arrington, Jan. 30, 2025 __ (signature on file and available on request at oktrust57@gmail.com)

Secretary Signature: __signed by Kelly Gibson, Jan. 30, 2025 __ (signature on file and available on request at oktrust57@gmail.com)



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ANNUAL CONFLICT OF INTEREST FORM

THIS FORM WAS SIGNED BY BOARD OF TRUSTEES ON JANUARY 30, 2025

The undersigned, as BOARD MEMBERS and INDEPENDENT CONTRACTOR FILLED OUT INDIVIDUAL FORMS of the Oklahoma Educational Memorial Trust Foundation acknowledges:

1. he or she has received a copy of the Foundation's Conflict of Interest Policy;
2. he or she has read and understands the Policy;
3. he or she has agreed to comply with the Policy;
4. he or she understands the Foundation's maintenance of its charitable activities and federal tax exemption depends on its undertaking primarily of activities that support its charitable purpose; and
5. the following on-going relationships and interests may present a conflict of interest (please describe - if not applicable write "N/A" or leave blank):

Signature: _signed on Jan. 30, 2025 - signature on file and available on request at oktrust57@gmail.com

Name: _____

Title: _____

Date: _____