

SECOORA
Conflicts of Interest Policy

I. Purpose

The purpose of this Conflicts of Interest Policy (the "Policy") is to protect the interests of SECOORA, its employees, Board members, officers, and members and to seek full disclosure of relationships, financial or otherwise, between employees, Board members, officers, and members of SECOORA and any third party individuals or corporations which may conduct business with SECOORA or take a position that is adverse to the purpose or intent of SECOORA. This Policy is prepared with the intent of ensuring compliance with the statutory and common law of the State of South Carolina and all applicable Federal Regulations. This policy is intended to supplement but not replace any applicable State or Federal laws and regulations governing conflicts of interest. This policy will be updated from time to time. All employees, officers, and members of SECOORA are bound by this policy.

II. Definitions

1. **Member:** any and all members (as defined by Article II of SECOORA's bylaws), including sustaining members, institutional members, individual members, affiliate members, Board members, employees and officers.
2. **Interested Party:** any Member who has a direct or indirect Disclosable Interest.
3. **Conflict of Interest:** A Conflict of Interest is a Disclosable Interest that the Board has determined is a Conflict of Interest following the procedures included in this policy.

The following are examples of conflicts of interest:

- a. A conflict of interest exists when a Member makes decisions or votes on matters pertaining to his or her own compensation.
 - b. A conflict of interest exists when a Member's loyalty could reasonably be perceived as promoting his or her own personal interests more than the interests of SECOORA.
 - c. A conflict of interest exists when a Member has a personal financial interest in the Principal Investigator (PI) selected for funding.
 - d. A conflict of interest exists when a Member is unable to render impartial assistance or advice.
4. **Disclosable Interest:** the existence of any of the following relationships either directly or indirectly:
 - a. **an ownership or investment interest** in, or any compensation arrangement (including but not limited to an employment relationship, direct and indirect remuneration, or any substantial gifts or favors) with, any entity involved in a transaction with SECOORA;

- b. **a compensation (monetary remuneration or gifts of substantial value) arrangement with SECOORA** or with any entity or individual with which SECOORA has a transaction **or** which could be eligible to be a **subrecipient** of one of SECOORA's grants;
- c. **a potential ownership or investment interest** in, or any compensation arrangement (including but not limited to an **employment relationship**, direct and indirect remuneration, or any substantial gifts or favors) with, any entity or individual involved in a transaction with SECOORA or which could be eligible to be a subrecipient of one of SECOORA's grants;
- d. **a family member or domestic partner** who has any of the interests or relationships described in a or b or c above;
- e. involvement in any project sponsored or supported by SECOORA, including but not limited to:
 - 1. **applying for, or preparing any proposal for, any award or contract from SECOORA, on behalf of the Member or any organization with which the Member is affiliated;** or
 - 2. **evaluating any application or proposal with respect to which the Member or any organization with which the Member is affiliated has submitted,** or is considering submitting, to SECOORA; or
 - 3. **involvement on behalf of any entity,** other than SECOORA, in the preparation of any proposal, bid or application for any contract or grant **in competition with SECOORA.**

A DISCLOSABLE INTEREST IS NOT NECESSARILY A CONFLICT OF INTEREST. A Disclosable Interest is only a Conflict of Interest if the Board, after disclosure of the facts and review conducted by the Governance Committee, which shall review conflicts, decides that a Conflict of Interest exists.

The following indicates circumstances when the Governance Committee would decide that a conflict of interest does not exist.

When the Governance Committee, after receiving and reviewing all of the material facts of the transaction exercises its discretion in good faith and decides:

- 1. that the transaction at issue is fair to SECOORA;
 - 2. that the Member's actions indicate his or her primary loyalty is to SECOORA;
 - 3. that the Member receives no direct financial benefit from the transaction; and
 - 4. that the Member has acted in the best interests of SECOORA.
5. **Disinterested Person:** A non-Board member with the expertise to assist the Governance Committee in the determination of whether a transaction or arrangement is in SECOORA's best interest.

6. **Leadership position:** Board officers are considered leadership positions.

III. Policy

1. Conflicts of Board Members who are Principal Investigators (PIs):

SECOORA's policy shall be that Board members may also be PIs funded via SECOORA. However, the procedure for such Board members **shall be that they recuse themselves from all decision-making** related to proposals, cooperative agreements, annual de-scoped statements of work, or sub awards in which their institution could be impacted by the decision.

2. SECOORA funded PIs cannot hold Leadership Positions.

SECOORA's policy shall be that funded PIs may not hold leadership positions. If a Board member that holds a leadership position becomes a funded PI, then the Board member shall resign their leadership position and the Board shall hold a special election to fill the vacant position.

IV. Procedures

1. Annual Disclosure: Each Member shall annually sign a statement, which affirms that such Member:

- a. Has received a copy of this conflict of interest policy;
- b. Has read and understood the policy;
- c. Has agreed to comply with the policy; and
- d. Has disclosed all Disclosable Interests existing on or before the date of the signed statement.
- e. Has filled out the disclosure items on the form

2. Annual Appointment of Governance Committee Members: The Board will review nominations of Members for the Governance Committee annually, and strive to assure the Committee is composed of Members with no significant discloseable interests.

3. Annual Review: At the Board's annual winter meeting, usually held in early December, Board members will review SECOORA's Conflict of Interest policy. Board members and staff will present the information in their Conflict of Interest statements for the purpose of making the Board aware of all potential individual conflicts of interest. SECOORA staff will also make available to the Board the Conflict of Interest statements of all members.

4. Recusal from Decision-making: For those instances when the Board is taking action and a member has not submitted information to the Governance Committee following the procedures outlined in subsection 5 below, the Board member shall recuse himself or

herself from decision-making if they have a Disclosable interest that could be considered a conflict.

5. All other conflicts shall be reviewed by Governance Committee, which will recommend resolution to the Board

- a. SECOORA's Governance Committee, which is authorized in SECOORA's bylaws to oversee compliance with applicable standards and guidelines, shall also serve as the Conflicts Committee to evaluate possible conflicts of interest.
- b. Duty to Disclose: An Interested Party must disclose the existence of its Disclosable Interest and must disclose all material facts to the Governance Committee for the purpose of evaluating the possible conflict of interest.
- c. Determining Whether a Conflict of Interest Exists: After disclosure of the Disclosable Interest and all material facts, and after any discussion with the Interested Party, the Interested Party shall, if present, absent himself or herself from the Governance Committee's deliberations while the determination of a conflict of interest is discussed and voted upon. Only disinterested members of the Governance Committee shall decide if a conflict of interest exists.
- d. Procedures for Addressing the Conflict of Interest.
 - i. An Interested Party may present information stating its case to the Governance Committee in writing or may make a live presentation at a Governance Committee meeting. If a live presentation is made, then after such presentation the Interested Party shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that result in the conflict of interest. If the Governance Committee determines that a conflict exists, it may decide that no further action is required, or it may proceed to deal with the conflict as follows.
 - ii. The chairperson of the Governance Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement and/or the Interested Party's involvement therein.
 - iii. After exercising due diligence, the Governance Committee shall determine whether SECOORA can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the Governance Committee shall determine by a majority vote of disinterested Governance Committee Members whether the transaction or arrangement and/or the Interested Party's involvement therein is in SECOORA's best interest and for its own benefit and whether the transaction is fair and reasonable to SECOORA and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
 - v. Governance Committee recommendation will be forwarded to the Board for resolution.

- e. **Board Members:** If the Governance Committee determines that a Board member's Disclosable Interest is a conflict of interest, the Board member must recuse himself or herself from voting, resign from or refrain from accepting a Leadership position, or become a non-voting member for a period of time, depending on the nature of the conflict.
- f. **Other Members:** If the Governance Committee determines that any other member's Disclosable Interest is a conflict of interest, the member must recuse himself or herself from voting, resign from or refrain from accepting a Leadership position, or become a non-voting member for a period of time, depending on the nature of the conflict.
- g. **Employees:** If the Governance Committee determines that an employee's Disclosable Interest regarding any matter for which the staff member has job responsibilities is a conflict of interest, that staff member's job responsibilities will be temporarily assigned to another employee after notice and a written explanation of the conflict and the assignment of job duties has been provided to and approved by the Executive Director and/or the Board Chair. Specifically, the Executive Director or Board Chair will:
 - i. State in writing of the nature of the conflict of interest and identify which other staff member(s) to whom the job responsibilities will be transferred temporarily; and
 - ii. Request the Members or PI's deal with the alternate staff member(s) and not the staff member with the conflict of interest if there are any questions regarding the matter for which there is a conflict of interest.

IV. Additional Rules Regarding the Conflicts of Interest Policy

1. Violations of the Conflicts of Interest Policy
 - a. If the Governance Committee has reasonable cause to believe that 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 apparent failure to disclose.
 - b. If, after reviewing the response of the Member and making such further investigation as may be warranted in the circumstances, the Governance Committee determines that the Member has in fact intentionally failed to disclose a Disclosable Interest or an actual conflict of interest, it shall recommend to the Board appropriate disciplinary and corrective action, up to and including seeking the suspension or expulsion of the Member.
2. Records of Proceedings: The minutes of the Governance Committee shall contain:
 - a. The names of the Member(s) who disclosed or otherwise were found to have a Disclosable Interest in connection with an actual or possible conflict of interest,
 - b. the nature of the Disclosable Interest, and
 - c. a record of any written statements or materials submitted to the Governance Committee and/or Board, a record of any votes taken in connection therewith and the basis for the determination as to whether or not the Disclosable Interest was determined to be a conflict of interest.

3. Members shall not use confidential information acquired by virtue of being a SECOORA member or individual authorized member representative to obtain private gain or gain from or for any other organizations with which they are affiliated.
4. SECOORA shall not lend money to Members.
5. If a Board Member is excluded from voting on a matter because of a conflict of interest, the Board Member shall not be counted in determining the presence of a quorum.

D. Contracts with Subgrantees and Subrecipients

It shall be SECOORA's policy and intent to seek partnerships which further its mission and purpose while avoiding conflicts of interest or apparent conflicts of interest.