

# Policy Statement



| Title                                  | Number |
|--|--------|
| Foundation Conflict of Interest Policy | 1002.3 |

## Latest Revision Date

## Purpose

To protect the interests of the nonprofit when contemplating a transaction or arrangement that might benefit the private interest of an officer, director, board or committee member, or employee and to ensure that the representatives of the U.S. Space & Rocket Center Education Foundation conduct business in a manner that serves community interests rather than the private interests of such representatives.

## Policy

This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. The U.S. Space & Rocket Center Education Foundation (USSRCEF) board shall be responsible for implementing this policy.

### 1. Definitions

Definitions regarding this policy are as follows:

#### a. *Interested Person*

Any trustee, officer, member of a committee with board-delegated powers, or employee who has a direct or indirect financial interest (as defined below) or duality of interest (as defined below), is an interested person.

#### b. *Financial Interest*

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

- i. An ownership or investment interest in any entity with which USSRCEF has a transaction or arrangement, or
- ii. A compensation arrangement with USSRCEF or with any entity or individual with which USSRCEF has a transaction or arrangement, or
- iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which USSRCEF is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. 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 appropriate board or committee decides that a conflict of interest exists.

*c. Duality of Interest*

A duality of interest exists when a trustee, officer, committee member, or employee of USSRCEF is affiliated with an organization seeking to request a grant from USSRCEF. Such affiliation exists if the person is a director, trustee, officer, or employee of the organization, or has an unofficial role such as significant donor, volunteer, advocate, or advisor.

2. Interested Person Processes

Any identified Interested Person must adhere to the following:

- a. In connection with any actual or possible conflict of interest or duality of interest, an interested person must disclose the existence of his or her financial interest or affiliation and all material facts to the trustees and members of committees with board-delegated powers considering the proposed transaction or arrangement. The disclosure should be made when the interest becomes a matter of board or committee action.
- b. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Addressing the Interest

The following guidelines will take place when addressing the interest:

- a. An interested person may make a presentation at the board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest or duality of interest.
- b. The chair of the board or 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 or committee shall determine whether USSRCEF 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.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in USSRCEF's best interest and for its own benefit and whether the transaction is fair and reasonable to USSRCEF and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

#### 4. Violations of the Conflict of Interest Policy

Violations of the Conflict of Interest Policy shall be result in the following:

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interests or duality of interest, it shall inform the member of the basis of such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest or duality of interest, it shall take appropriate disciplinary and corrective action.

#### 5. Records of Proceedings

The minutes of the board and all committees with board-delegated powers 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 or duality of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest or duality of interest was present, and the board's or committee's decision as to whether a conflict of interest or duality 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 therewith.

#### 6. Employee Processes

Employees should avoid or disclose to the USSRCEF any situation that could create a conflict of interest between the interest of the USSRCEF and the employee, including, but not limited to the following:

- a. Owning a financial interest in a competitor's, customer's, contractor's, or supplier's business enterprise
- b. Serving any management or executive leadership role in a competitor's, customer's, contractor's, or supplier's business enterprise
- c. Accepting payments or loans from customers, suppliers, contractors, or competitors (other than established banking or financial institutions pursuant to an arms-length transaction)
- d. Accepting gifts other than gratuity or entertainment of nominal value from any person or business that seeks to do business with the USSRCEF. Token gifts or entertainment should conform to customary industry practices, provided that the recipient has no sense of obligation to the donor
- e. Acquisition or sale of any property, facilities, materials, services (financial, legal, or management) by the USSRCEF under circumstances where there is a direct or indirect compensation to the employee

- f. Acceptance of the USSRCEF business of any kind with a company owned or controlled by an Employee
- g. Use of the USSRCEF position to solicit from current or prospective vendors any discount on personal or family purchases of equipment, materials, or services
- h. Unauthorized use of USSRCEF information or property
- i. Involvement in business transactions of the USSRCEF, its clients, vendors, or competitors where substantial, direct or indirect personal interests could impair the individual's judgment
- j. Involvement in an outside business or nonprofit activity that could by its nature objectively be construed as preventing or potentially preventing an employee from impartially and satisfactorily performing his or her assigned duties or reflecting a misuse of USSRCEF information

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**Approved By**

**Date**