

**CONFLICT OF INTEREST POLICY  
OF  
JOHN JAY COLLEGE OF CRIMINAL JUSTICE AUXILIARY  
SERVICES CORPORATION, INC.**

**1.0 PURPOSE**

Directors, officers, and Key Persons of the Corporation serve the public trust and have an obligation to fulfill their responsibilities in a manner consistent with this fact. They have the responsibility of administering the affairs of the Corporation honestly and prudently, and of making decisions solely on the basis of a desire to promote the best interests of the Corporation, John Jay College of Criminal Justice, and the public good, and not to generate a personal benefit. The purpose of this conflict of interest policy is to protect the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or Key Person of the Corporation or one of their Relatives.

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 of capitalized terms used in this policy are in Section 7.0 below.

**2.0 DUTY TO DISCLOSE**

Each director, officer and Key Person of the Corporation has a duty to disclose to the Board any private interests that may result in a Conflict Situation, in the following manner:

**2.1 Periodic Statements**

2.1.1 Prior to a director or officer's initial election to the Board, or a Key Person's employment by the Corporation, each director, officer, and Key Person shall complete, sign, and submit to the Secretary of the Corporation a written statement in the form of Exhibit A to this policy.

2.1.2 Each director, officer, and Key Person shall annually and at any time there is a change to the last statement given, complete, sign, and submit to the Secretary of the Corporation a written statement in the form of Exhibit A to this policy.

2.1.3 A copy of each statement shall be kept in the Corporation's files and made available to any director, officer, or Key Person upon request.

**2.2 Related Party Transactions and other Conflict Situations.** If the Board is contemplating a Related Party Transaction in which an officer, director or Key

Person of the Corporation has a Financial Interest or other actual or potential Conflict Situation involving the officer, director or Key Person, the officer, director or Key Person must promptly make full disclosure in good faith to the Board, by notice in writing, of all material facts of the Conflict Situation and his or her interest in it. The Board will then follow the procedures in Section 3.0 of this Policy.

Failure to comply with this Section 2.0 may be grounds for removal from the Board or office, or termination of employment by the Corporation.

### **3.0 REVIEW OF POTENTIAL CONFLICT SITUATIONS**

- 3.1** All transactions, agreements or any other arrangements by or with the Corporation that may involve a potential Conflict Situation shall be reviewed by the Board to determine whether a conflict of interest exists and, if so, to vote to authorize or reject the proposed transaction or take any other action deemed necessary to address the conflict and protect the Corporation's best interests.
- 3.2** The Corporation shall not enter into any Related Party Transaction or approve any other Conflict Situation unless the Board has determined it to be fair, reasonable, and in the best interests of the Corporation at the time of such determination, and it is approved by not less than a majority vote of the directors present at the meeting.
- 3.3** If a contemplated Related Party Transaction pertains to compensation for services or the transfer of property or other economic benefit to a Related Party, prior to entering into the transaction the Board must determine that the value of the economic benefit provided by the Corporation to the Related Party does not exceed the value of the consideration received in exchange, by obtaining and reviewing appropriate comparable data, including by considering alternative transactions to the extent possible.
- 3.4** All Related Parties with a Financial Interest in a proposed transaction shall leave the room, teleconference or videoconference during any deliberations and/or vote. However, at the request of the Board, a Related Party may make a presentation or otherwise disclose material facts and respond to questions regarding the transaction, prior to the deliberations and voting.
- 3.5** A voting member of the Board or an officer who receives compensation directly or indirectly from the Corporation for services, or a director serving as a voting member of any committee whose jurisdiction includes compensation matters, is precluded from voting or acting on matters pertaining to that director's or officer's compensation. However, a voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, may

upon request of the Board or committee provide information regarding compensation.

- 3.6** No Related Party shall vote, act or attempt to influence improperly the deliberation or voting on any matter in which he or she has been determined by the Board to have a Financial Interest or other conflict of interest. Any attempt to vote, act, or improperly influence deliberations by a Related Party on any matter with which such person has a Financial Interest may be grounds for removal from the Board or termination from the Corporation.

#### **4.0 DELEGATION TO AUDIT COMMITTEE**

The Board may delegate to the Audit Committee review and approval of any matters set forth in Section 3.0 above; provided that if such a matter is of a magnitude or character that would otherwise require full Board approval, the Audit Committee shall submit such matter to the Board for consideration, providing its recommendation as to whether or not to approve it. In the event the Board delegates the review and approval of any matters to the Audit Committee, all references to the Board in this policy shall be deemed to refer to the Audit Committee for such purpose, and all references to a majority of the Board shall be deemed to refer to a majority of the voting members of the Audit Committee.

#### **5.0 RECORDS OF PROCEEDINGS**

The minutes of all meetings of the Board or a Committee at which matters are considered under Section 3.0 above shall contain the following, and shall be documented contemporaneously with the decision and discussion regarding such matters:

- 5.1** The names of the persons who disclosed or otherwise were found to have a potential or actual Financial Interest and/or conflict of interest, the nature of the potential or actual Financial Interest and/or conflict of interest, any action taken to determine whether a Financial Interest or conflict of interest exists, and the Board's decision as to whether a Financial Interest and/or conflict of interest in fact existed.
- 5.2** The names of the persons who were present for deliberations and votes relating to any such matter, including whether the Related Party and any members of the Board or Committee left the room during any such deliberations, the content of the deliberations, including consideration of alternatives to the proposed transaction or arrangement, and whether or not the transaction with the Related Party or other Conflict Situation was approved by the Board or Committee and, if approved, the basis for such approval.

#### **6.0 GIFTS**

No director, officer, or key employee of the Corporation shall accept or solicit any gift of more than nominal value from any individual or entity that does or is seeking to do business with the Corporation or under any other circumstances where it could be reasonably inferred that the gift was intended to influence or could be reasonably expected to influence the director, officer, or key employee in the performance of his or her duties for the Corporation.

## 7.0 DEFINITIONS

**7.1 Affiliate** means an entity controlled by or in control of the Corporation. For purposes of this policy, **Affiliate** also includes CUNY and all of its colleges and schools, and RF CUNY.

**7.2 Conflict Situation** means (a) any Related Party Transaction, (b) any fixing of compensation of directors or officers, and (c) any situation, transaction or arrangement actually or potentially presenting a conflict, or the appearance of a conflict, between the private interests and the responsibilities to the Corporation of a director, officer, or Key Person. Conflict Situations include, without limitation, the following:

- A director, officer or Key Person is involved in fixing the compensation of an employee of the Corporation who is a Relative;
- A director, officer or Key Person in a supervisory capacity is a Relative of an employee of the Corporation whom he or she supervises;
- A Related Party, his or her organization, or his or her Relative stands to benefit from a transaction or a Related Party receives payment for any subcontract, goods, or services other than as part of her or his regular job responsibilities or other than as reimbursement for reasonable expenses incurred as provided in the Corporation's by-laws and formal policies;
- A Related Party's organization or Relative receives grant funding from the Corporation; or
- A Related Party is a member of the board of directors or governing body of a contributor to the Corporation.

**7.3** A person has a **Financial Interest** if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial, or other arrangement involving the Corporation.

**7.4 Key Person** means a person, other than a director or officer, whether or not an employee of the Corporation, who:

- has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;
- manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or

- alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

**7.5 Related Party means:**

- any director, officer, or Key Person of the Corporation or an Affiliate of the Corporation;
- any Relative of a director, officer, or Key Person of the Corporation or an Affiliate of the Corporation; and
- any entity in which a director, officer or Key Person, or a Relative of them has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%

**7.6 Related Party Transaction** means any transaction, agreement or any other arrangement with the Corporation or an Affiliate of the Corporation in which a Related Party has a Financial Interest. Notwithstanding the foregoing, a transaction that constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission and which benefit is available to all similarly situated members of the same class on the same terms, is not a Related Party Transaction. For example, the fact that a student director on the Board may benefit from the activities of the Corporation in the same manner as all other students at the College does not give rise to a Related Party Transaction.

**7.7 Relative** means a spouse or domestic partner as defined in § 2994-A of the New York Public Health Law, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse or domestic partner of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood).

Adopted by the Corporation's Board of Directors at its Meeting on 10/15/2018.

**JOHN JAY COLLEGE OF CRIMINAL JUSTICE AUXILIARY SERVICES CORPORATION, INC.**

**ANNUAL STATEMENT REGARDING CONFLICT OF INTEREST AND ACKNOWLEDGEMENT OF CUNY AUXILIARY ENTERPRISE CORPORATION GUIDELINES**

*This Statement is designed to assist directors, officers and Key Persons of the Corporation in meeting their ongoing responsibility to disclose any actual or potential Conflict Situations (as defined in the policy). It must be completed prior to a director or officer's initial election to the Board, or a Key Person's employment by the Corporation, and thereafter annually and at any time there is a change to the last statement given, by each director, officer, and Key Person.*

**Please answer each question and provide an explanation for any “yes” answers in the space provided after the questions.**

ANNUAL DISCLOSURE QUESTIONS	YES	NO
1. In the last three years, have you received any compensation from the Corporation or any <b>Affiliate</b> of the Corporation as an employee, director, officer or independent contractor?		
2. Are you aware of any compensation paid in the last three years by the Corporation or any <b>Affiliate</b> of the Corporation to a <b>Relative</b> as an employee, director, officer or independent contractor?		
3. Do you have a <b>Financial Interest</b> in the Corporation or any <b>Affiliate</b> of the Corporation?		
4. Are you aware of a <b>Relative's Financial Interest</b> in the Corporation or any <b>Affiliate</b> of the Corporation?		
5. Are you aware of any transactions between the Corporation and any entity in which you are a director, officer, or Key Person or have a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%?		
6. Are you aware of any transactions between the Corporation and an entity in which a <b>Relative</b> is a director, officer, or Key Person or has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%?		
7. Do you have a <b>Financial Interest</b> in or have you been an employee or officer of an entity that has made payments to or received payments from the Corporation or any <b>Affiliate</b> of the Corporation?		
8. Do you have a <b>Relative</b> that has a <b>Financial Interest</b> or has been an employee or officer of an entity that has made payments to or received payments from the Corporation or any <b>Affiliate</b> of the Corporation?		
9. Do you have any outstanding loans to or from the Corporation or any <b>Affiliate</b> of the Corporation?		
10. Are you aware of any outstanding loan to or from the Corporation or any <b>Affiliate</b> and a <b>Relative</b> ?		

11. Did the Corporation provide any grant or other assistance to you?		
12. Are you aware of any grant or other assistance provided by the Corporation to any of your <b>Relatives</b> ?		
13. Are you aware of any grant or other assistance provided by the Corporation to any entity in which you are a director, officer, or Key Person or have a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%?		
14. Are you aware of any grant or other assistance provided by the Corporation to any entity in which a <b>Relative</b> is a director, officer, or Key Person or has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%?		
15. Are you a <b>Relative</b> of, or do you have any business relationship with, any director, officer or employee of the Corporation?		
16. Do you have a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%, in any entity doing business with the Corporation that was not otherwise disclosed in response to the prior questions?		
17. Are you aware of any relationship or transaction not otherwise disclosed that constitutes or could constitute an actual or apparent <b>Conflict Situation</b> ?		
<p><b>EXPLANATION OF QUESTIONS TO WHICH YOU ANSWERED "YES". NUMBER EACH EXPLANATION TO CORRESPOND WITH THE QUESTION. ATTACH ADDITIONAL PAGES IF NECESSARY.</b></p>		

*Continued on next page.*

**AFFIRMATION AND SIGNATURE**

I affirm that:

- I have received a copy of the Corporation’s Conflict of Interest Policy and have read in full and understand the Policy;
- I agree to comply with the Conflict of Interest Policy;
- I understand that the Corporation is a charitable organization that operates for the public good and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes;
- the information in the above Questionnaire is accurate and complete to the best of my knowledge; and
- during the time I am a director, officer or Key Person of the Corporation, I will promptly notify the Corporation if I become aware of any error or material change the information I have provided in this Statement.

**ACKNOWLEDGEMENTS REGARDING CUNY AUXILIARY ENTERPRISE CORPORATION GUIDELINES**

I acknowledge that:

- I have received a copy of the CUNY Auxiliary Enterprise Corporation Guidelines and the Memorandum of Understanding (MOU) between the Corporation and the College, and have reviewed them.
- I understand that the Guidelines and the MOU are binding on the Corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name