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| POLICY TITLE | Board Policy on Conflicts of Interest and Related Procedures  |
| No. 201903-xx |
| Effective Date | March 21, 2019 |

1. STATEMENT OF POLICY

Each member of the board of directors of the Regional Transportation Authority of Central Oklahoma (Authority) has a fiduciary obligation to act at all times in the best interests of the Authority. Directors should ensure that they do not use or be perceived as using their position with the Authority for private gain or to secure special privileges or exceptions for themselves or others. Directors should not knowingly receive, accept, take, seek, or solicit, directly or indirectly, any gift or loan for themselves or others if the gift or loan would tend to influence them in the discharge of their duties. Directors have a duty to identify and disclose any conflicts of interest that have or may arise, and to take steps to minimize the impact of such conflicts upon the Authority.

1. DEFINITIONS
2. Conflict of Interest – An actual, potential, or apparent conflict of interest may exist in any circumstance that may compromise, or give the appearance that it may compromise, the ability of a director to make unbiased and impartial decisions on behalf of the Authority. Such circumstances may involve family relationships, business transactions, professional activities, or personal affiliations.
3. Conflicting Interest Transaction – A conflicting interest transaction means a contract, transaction, or other financial relationship between the Authority and:
* A director of the Authority;
* A family member of a director of the Authority; or
* An entity in which the director is an officer, director, or has a financial interest.
1. Business Relationship – A relationship in which a director or member of his or her family serves as an officer, director, employee, partner, trustee, or controlling shareholder of an organization that does substantial business with the Authority.
2. Family Member – A spouse, children (including stepchildren), mother, father, sister, or brother.
3. Material Financial Interest – When a director or member of his or her family (1) has an ownership interest in a private business for which the director or his or her family member is an officer, director, owner, manager, employee, or agent or any private business in which the director or his or her family member owns or has owned stock, another form of equity interest, stock options, debt instruments, or has received dividends or income worth Twenty Thousand Dollars ($20,000.00) or more at any point during the preceding calendar year; or (2) is the actual or beneficial owner of five percent (5%) or more of the voting stock or controlling interest in a publicly traded corporation that does substantial business with the Authority; (3) an ownership interest in a publicly traded corporation or other business entity from which dividends or income, not to include salary, of Fifty Thousand Dollars ($50,000.00) or more were derived during the preceding calendar year by the director or his or her family member; or (4) an interest that arises as a result of the director’s or his or her family member’s service as an officer or director of a publicly traded corporation or other business entity at any time during the preceding calendar year; or (5) any sources of income derived from employment, other than compensation pertaining to the office for which the director or his or her family member holds, in the amount of Twenty Thousand Dollars ($20,000.00) or more by the director or his or her family member.

1. APPLICABLE PROCEDURES UNDER THE POLICY
2. Disclosure

The board of directors requires directors to fully disclosure all actual or potential conflicts of interest. All directors are required to file an annual Conflict of Interest Disclosure Form disclosing the substantive relationships that they or members of their families maintain with organizations that do business with the Authority or that could be construed to potentially affect their independent, unbiased judgment. Directors must continuously update during the year any actual or potential conflicts of interest that may arise.

1. Process of Identification

The secretary of the board will collect Conflict of Interest Disclosure Forms from all directors each year at the first director meeting of the fiscal year and from all new directors at the time of their appointment. The secretary will review each disclosure form for actual or potential conflicts of interest, including, but not limited to, the following factors:

1. A conflicting interest transaction that is likely to have a direct and predictable effect on the material financial interests of the director or of his or her family member.
2. A conflicting interest transaction involving a person with whom the director or his or her family member has a business relationship and the business organization is a party to or represents a party in a matter before the Authority.
3. A conflicting interest transaction where a director, or a member of his or her family, or an entity in which the director is an officer, director, or has a financial interest receives, accepts, takes, seeks, or solicits, directly or indirectly any gift or loan from the Authority for themselves or others.
4. A loan made directly or indirectly by the Authority to a director, or a member of his or her family, or an entity in which a director or family member has any ownership, management right, or financial interest.
5. Solicitation or acceptance of gifts, gratuities, free travel, or other items of value by a director or a member of his or her family that could create the appearance of a conflict or an expectation of special treatment in the Authority matters. Notwithstanding the foregoing, a director or member of his or her family may accept meals having a nominal value defined as an aggregate market value of Twenty Dollars ($20.00) or less per occasion, provided that the aggregate market value of individual gifts received from any individual or other entity does not exceed Fifty Dollars ($50.00) during any calendar year.
6. Situations where a director may be divided between personal interests or the interests of another organization and the best interests of the Authority.
7. Engagement in business, professional conduct, or other activities that may be directly or indirectly adverse to the interests of the Authority.
8. Any arrangements in which a director provides goods or services to the Authority as a paid vendor or outside service-provider.
9. Any other circumstance that would cause a reasonable person with knowledge of the relevant facts to question the director’s impartiality in a matter before the Authority.

The secretary may request additional information from any director at any time. While an individual’s relationships or activities are under review, the individual may not deliberate, debate, or vote on any matter under consideration at a board or committee meeting about which the director may have a conflict of interest.

1. Resolution of Conflict of Interest

When the secretary or board of directors identifies an actual, potential, or apparent conflict of interest, it must take one of the following actions to resolve such conflict:

* *Waive* the conflict of interest as unlikely to affect the director's ability to act in the best interests of the Authority; or
* *Recuse* the individual director from deliberation or decision-making related to the specific matter giving rise to the conflict and require the director to leave at the time of the discussion and vote.

The board of directors has final authority over the resolution of all conflicts of interest involving a director and may overrule any decision of the secretary. The conflict and the resolution thereof must be reflected in the minutes of the board or committee proceeding.

1. Authorizing Prohibited Transactions

A transaction otherwise prohibited by this policy may be permitted if the material facts as to the director’s relationship or interest as to the conflicting transaction, gift, or loan are disclosed to the board of directors and the board in good faith authorizes, approves, or ratifies the conflicting interest transaction, gift, or loan.

1. RELATED DOCUMENTS
* Conflict of Interest Disclosure Form

1. HISTORY

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| Date of Last Action | Action Taken | Authorizing Entity |
| March 21, 2019 | Conflict of Interest Policy Adopted | Board of Directors |

1. SIGNATURE, TITLE, AND DATE OF APPROVAL

Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Board of Directors Chair