

OCTAVO SINGERS CONFLICT OF INTEREST POLICY

Introduction

The Octavo Singers of Schenectady New York, Inc. ("Octavo Singers" or "Corporation") is a New York State Not-for-Profit Corporation with respect to its governance, including dealing with conflicts of interest. Additionally, the Corporation is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

This Conflict of Interest Policy ("Policy") is designed to avoid actual and apparent conflicts of interests, so that decisions concerning operations of the Octavo Singers, and the use and disposition of its assets are made to benefit the Corporation and are not influenced by private profit or other personal benefit to the individuals affiliated with the Octavo Singers.

No policy can anticipate the fullest range of factual circumstances which may entail a conflict of interest. Accordingly, it is important to interpret and apply this Policy in a way which best assists the Corporation's Board and others in meeting their obligations under the law. Questions arising under or about this Policy should be forwarded to the President for consideration and resolution.

Persons Subject to this Policy

Any person who is a Related Party is subject to this policy.

A Related Party is defined as:

1. Any individual who currently serves or has served in the following capacities within the past five (5) years:

- (a) a member of the Board of Directors of the Octavos Singers ("Board Member");
- (b) any committee person with powers delegated by the board;
- (c) the person in the position of Producer as described in the Octavo Singers' Bylaws, should such person not be included in items (a) or (b) above;

2. A Key Person. A key person is a person who currently is one who is or, or was at any time during the past five (5) years, in a position to exercise substantial influence over the affairs of the Corporation.

Facts and circumstances which indicate that a person is in a position to exercise substantial influence include, but are not limited to the following:

- the person's compensation is based primarily on revenues from the Corporation's activities that the person controls;
- the person has authority to control or determine a substantial part of the Corporation's capital expenditures, operating budget, or compensation for employees;

- the person manages a discrete segment or activity of the Corporation that is a substantial part of the Corporation's activities, assets, income, or expenses;
- the person owns a controlling interest in a corporation, partnership, or trust that is considered a Related Party; and
- the "person" is a non-stock organization controlled directly or indirectly by one or more Related Parties.

Facts and circumstances indicating that a person is not a Key Person include, but are not limited to the following:

- the person has taken a bona fide vow of poverty as an employee, agent, or on behalf of a religious organization;
- the person is an independent contractor whose sole relationship to the Corporation is providing professional advice and who has no decision-making authority and will derive no direct or indirect benefit from the transaction except for the customary fees for professional advice;
- any preferential treatment the person receives based on the size of the person's donation: (1) is also offered to all other donors making comparable contributions; and (2) is offered as a part of a solicitation intended to attract a substantial number of contributions.

3. Any Relative of persons listed in (1) and (2) above.

"Relative" includes: spouse; domestic partner as defined in New York State Public Health law Section 2954-A; ancestors; siblings (whether whole or half-blood); children (whether natural or adopted); grandchildren; great-grandchildren; and spouses of siblings, children, grandchildren, and great-grandchildren.

4. Any entity in which an individual listed in (1), (2) and (3) above has a controlling interest.

A controlling interest is defined as:

- for corporations: ownership (direct or indirect) of more than 35% of the combined voting power;
- for partnerships or personal service corporations: ownership (direct or indirect) of more than 5% of the profit interest; and
- for trusts or estates: ownership (direct or indirect) of more than 35% of the beneficial interest.

5. An Affiliate of the Octavo Singers. An Affiliate of the Octavo Singers is any entity controlled by, in control of, or under common control with the Corporation.

Those Not Subject to this Policy

- Those not subject to this policy are:
- Other organizations that are tax-exempt under Code Section 501(c)(3).
- Any employee who is not highly compensated¹ and is not otherwise considered a Related Party under this Policy.

Transactions Subject to this Policy.

Persons subject to this policy must disclose the following to the President of the Board of Octavo Singers:

1. Any transaction, agreement or other arrangement, not including compensation for services as Artistic Director or Accompanist, in which a Related Party has a financial interest, and in which the Corporation or any Affiliate is a participant ("Related Party Transaction"); or
2. the appearance of a Related Party Transaction.

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 governing board or committee decides that a conflict of interest exists.

Disclosure

Related Parties must disclose Related Party Transactions to the Board before such transactions take place and are strongly encouraged to disclose matters that may present a potential conflict of interest or the appearance of such conflict.

Addressing Potential Conflicts of Interest

1. The President shall refer the matter to the Board or a committee of the Board to for review and recommendation.
2. The Related Party shall meet with the reviewing body and provide the reviewing body with full information related to the matter. The Related Party shall not be present at any reviewing body's deliberations, determination or if applicable, recommendations to the Board.
3. The Board may agree to seek outside expert approval in reviewing the matter as appropriate.
4. The Board shall make its determination in Executive Session.

¹ Highly compensated employee is defined under Code Section 414(q)(1)(B)(i) and is adjusted annually for inflation. The amount for 2019 is \$125,000.

5. The Board shall approve a Related Party Transaction only where the Board determines that the transaction is fair, reasonable and in the Corporation's best interests.
6. The Board must make every effort to review and make a determination on the Related Party Transaction in advance of its taking place.
7. Any member of the Board who has an interest in the transaction may not participate in the vote, and may not be present during voting or deliberations.
8. The Board must make its decision with reliance on appropriate data about comparable arrangements, to the extent they are available.
9. The Board must adequately document its decision and deliberations in the minutes of the Board and/or committee meetings, Documentation must include a description of the issue presented, the steps taken to review the matter, the recommendation, the decision and the reasons for the decision.
10. Any person who is involved in the related party transaction shall not improperly attempt to influence deliberations or voting on the matter in question.
11. Should the matter involve the President of Octavo Singers, the First Vice President shall undertake the President's duties under this Policy.

Annual Disclosure and Statements

1. Within **one month of adoption** of this Policy, **prior to initial election as candidates**, or appointment, and **annually** thereafter, all Board members and Officers shall complete, sign, and submit to the Secretary a written statement identifying, to the best of the Board member's knowledge, any entity of which such director is an officer, director, trustee, member, owner, or employee, and with which the Corporation has a relationship, and whether there is a conflict of interest. The disclosure of a relationship shall not, by itself, constitute a conflict of interest.
2. Within one month of adoption of this Policy and by every September 30 thereafter, all Board members and Key Persons shall receive a copy of this policy and submit a signed acknowledgement of receipt which affirms that the recipient:
 - a. has received a copy of this policy;
 - b. has read and understands the policy; and
 - c. has agreed to comply with the policy.

Maintenance of Statements

The Secretary shall maintain all acknowledgments and shall provide a copy of all completed disclosure statements to the Treasurer.

Oversight/Administration

This policy shall be overseen and administered by the Board including the adoption of any amendments to this policy.

Distribution

A copy of this policy shall be made available to the membership of the Corporation either by hard copy or electronically at the beginning on or before September 30 and February 1 of each year.

Violation of this Policy


If the Board has reasonable cause to believe that a person subject to this policy has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the person's response and investigating the matter as warranted by the circumstances, the Board determines that the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate action.

I, Diane M. Deacon, President of The Octavo Singers of Schenectady New York, Inc. ("Octavo Singers") do hereby affirm that this Conflict of Interest Policy was adopted by the Board of Directors of the Octavo Singers on January 7, 2020.



Diane M. Deacon



Date

