



TEXAS MUSIC TEACHERS ASSOCIATION

Affiliated with Music Teachers National Association

Conflict of Interest Policy

The Board of Directors of the Texas Music Teachers Association (TMTA) has adopted the following policy designed to avoid any possible conflict between the personal interests of board members and/or staff, and the interests of TMTA. This policy also applies to any case in which a committee chairperson or committee member may be delegated the authority to transact any business on behalf of TMTA.

The purpose of this policy is two-fold. First, the policy seeks to reflect the spirit of TMTA's commitment to promote the highest ethical standards in the association management profession. Second, the policy seeks to ensure that decisions about TMTA operations and the use or disposition of TMTA assets are made solely in terms of the benefits to TMTA and are not influenced by any private profit or other personal benefit to the individuals affiliated with TMTA who take part in the decision. In addition to actual conflicts of interest, board members are also obligated to avoid actions that could be perceived or interpreted in conflict with TMTA's interest.

Conflicts of interest may occur when TMTA enters into transactions with not-for-profit organizations as well as those that are undertaken with profit-making entities. The best way to deal with this problem is to make known one's connection with organizations doing business with TMTA and to refrain from participation in voting on decisions affecting transactions between TMTA and the other organization. Such relationships do not necessarily restrict transactions so long as the relationship is clearly divulged, and non-involved individuals affiliated with TMTA make any necessary decision.

Policy

Any member of the TMTA Board of Directors or TMTA staff who may be involved in a TMTA business transaction in which there may be a possible conflict of interest shall disclose the potential conflict to the other members of the Board or supervisor before any discussion and vote with respect to the transaction. Such disclosure shall be recorded in the minutes of the meeting at which it is made. The member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The foregoing requirements, however, should not be construed to prevent the member from briefly stating a position on the matter, or from answering pertinent questions from other Board members by reason of the fact that personal knowledge on the matter may

be of assistance to the other members in reaching their decision. The member's presence may not be counted in determining the quorum for any vote with respect to the business transaction which involves a potential conflict of interest.

A written disclosure regarding any possible conflicts and of any adjustments made to avoid possible conflicts of interest shall be kept by the TMTA President.

Definitions

- "Involved in a TMTA business transaction" means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from TMTA accounts. That language is intended to include not only transactions for TMTA's procurement of goods and services, but also for the disposition of TMTA property, and the provision of services or space by TMTA.
- A "possible conflict of interest" is deemed to exist where the Director or close relative, or a member of that person's household, is an officer, director, employee, proprietary partner, or trustee of, or, when aggregated with close relatives and members of that person's household, holds 35% or more of the issued stock in the organization seeking to do business with TMTA. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractor by an organization which seeks to do business with TMTA, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household.
- A "possible conflict of interest" exists when an individual affiliated with TMTA has an interest in an organization which is in competition with a firm seeking to do business with TMTA, if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.
- A "possible conflict of interest" exists when an individual affiliated with TMTA is a trustee, director, officer or employee of a not-for-profit organization which is seeking to do business with or have a significant connection with TMTA or is engaged in activities which could be said in a business context to be "in competition with" the programs of TMTA.

Acknowledgment

This policy statement shall be made available to each director, officer, and staff member of TMTA. Such individuals will be asked to read the acknowledgment and complete an attached disclosure concerning reporting of potential conflicts of interest.

Adopted Date: July, 2012



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Federal Form 990 Board Member Questionnaire

Board Member's Name: _____

1) Do you have a business or family relationship with any other officer, director, trustee or key employee of the organization? See definitions below to help you correctly answer this question.

Yes

No

If yes, please indicate the names of the individuals with whom you have a relationship and indicate with the word "family" or "business" to describe the relationship. No further information is required

Name: _____

Relationship: _____

A Business relationship is defined as:

a) One person being employed by the other in a sole proprietorship, or by an organization in which the other person is a trustee, director, officer, key employee or greater than 35% owner.

b) One person transacting business with the other (other than in the ordinary course of either party's business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the organization's tax year (indirect transactions are the transactions with an organization with which the one person is associated as a trustee, director, officer, key employee, or greater than 35% owner); or

c) The two persons are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity.

Family relationships that need to be disclosed are: Spouse, children, sister, brother, parent, grandparent, or any spouse of the foregoing.

2) Have you or any of your family members had any business transactions with TMTA, either directly or indirectly through an organization with which you or a family member is a board member, trustee, director, or owner?

Yes

No

If so, please describe the transaction and the percent ownership if it is with a company you or your family member owns.

3) Are any of your family members employed by TMTA?

Yes

No

If so, please name the employed family member: _____

Signature: _____

Date: _____