

OKFDA

Oklahoma Funeral Directors Association

CONFLICT OF INTEREST POLICY

PURPOSE

The purpose of the Conflict of Interest Policy (the “Policy”) is to protect the interest of the Oklahoma Funeral Directors Association and related entities (the “Organization”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest or might result in a possible excess benefit transaction for a Director, Trustee, Committee Member or Employee of the Organization (“Covered Person”) or a related party.

DEFINITIONS

Covered Person

A Director, Trustee, Employee or Committee Member who has the power to bind the Organization and has direct or indirect financial interest (as defined below), is defined as a covered person.

Related Party

A related party includes a Covered Person’s spouse, parent, descendant, spouse’s parent and spouse’s parent’s descendant.

Financial Interest

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

- a. An ownership investment interest in any entity with which the Organization has a transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which the Organization is negotiating a transaction or arrangement.

A financial interest is not necessarily a conflict of interest. As described under the Procedures, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that the conflict of interest exists.

Compensation

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Transactions and arrangements with the Organization do not include customary charges paid by members such as dues, seminar fees, and normal purchases of member products and services.

RESPONSIBILITIES

- 1. Personal Business and Private Affairs:** All Covered Persons shall conduct their personal business and private affairs to avoid any potential conflict of interest or appearance of conflict of interest between themselves, their friends, family, and the Organization.
- 2. Personal Relationships:** Personal Relationships with Covered Persons should be avoided to ensure that such persons do not exploit their relationship with the Organization and that they do not use the Organization’s name in connection with matters considered confidential, fraudulent, unethical, or dishonest.

OKFDA

Oklahoma Funeral Directors Association

3. **Political Activity:** Covered Persons and their related parties are encouraged to participate in community affairs. No person may allow the Organization's name or reputation to be used in connection with any political campaign except that a Director, Trustee, or Committee Member who is a candidate for elective office may mention that he or she is a member of the board, a Trustee, or Committee Member of the Organization.
In order to avoid any conflict of interest, Employees must obtain approval from their Supervisor before becoming a candidate for elective office or accepting an appointed position. An Employee must not allow the Organization's name or reputation to be used in connection with any political campaign except that an Employee who is a candidate for elective office may mention that he or she is employed by the Organization.
4. **Compensation:** The Organization shall not pay compensation to any Director, Trustee, or Committee Member. Reimbursement of expenses is permissible as defined in the Organization's Expense Reimbursement Policy.

PROCEDURES

Duty to Disclose

In connection with any actual or possible conflict of interest, a Covered Person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the other members of the board or the committee considering the proposed transaction or arrangement.

On an annual basis, Covered Persons will be provided with a copy of this policy and will be required to complete and sign the Organization's Disclosure of Conflict of Interest Form, detailing any material facts that could give rise to conflicts of interest as identified in this Policy. The Organization will review and ensure that any partnerships, joint ventures, or arrangements with the management companies conform to the Organization's policies, are properly recorded, reflect reasonable invest or payments for good and services, further tax-exempt purposes and do not result in inurement, impressible private benefit or in excess benefit transaction.

Procedures for Addressing a Potential Conflict of Interest for Directors, Trustees, and Committee Members:

- a. A Covered Person may make a presentation at the board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict 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 the Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement 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 possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

OKFDA

Oklahoma Funeral Directors Association

Procedure for Addressing the Conflict of Interest for Employees

- a. A Covered Person may make a presentation to the staff person(s) responsible for deciding on the transaction or arrangement involving the possible conflict of interest but must recuse him or herself from any further participation in the decision-making process.
- b. The staff person(s) responsible for deciding on the transaction or arrangement shall investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the staff person(s) responsible for deciding on the transaction or arrangement shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement 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 possible under circumstances not producing a conflict of interest, the staff person(s) responsible for deciding on the transaction or arrangement shall determine whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflict of Interest Policy for Directors, Trustees, and Committee Members

- a. If the board or committee has reasonable cause to believe a Covered Person has failed to disclose actual or possible conflicts of interest, it shall inform that individual of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response and after making further investigation as warranted by the circumstances, the board or committee determines the Covered Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Violations of the Conflict of Interest Policy for Employees

- a. If the Executive Director has reasonable cause to believe an Employee has failed to disclose actual or possible conflicts of interest, the Executive Director shall inform the Employee of the basis for such belief and afford the Employee an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response and after making further investigation as warranted by the circumstances, the Executive Director determines the Employee has failed to disclose an actual or possible conflict of interest, the Executive Director shall take appropriate disciplinary and corrective action.

RECORDS OF PROCEEDINGS

The minutes of the board or committee meeting shall contain:

- a. The names of the persons who disclosed or otherwise were found to have financial interest in connection with an actual or possible conflict of interest, the name of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the person 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 with the proceedings.