

**CONFLICT OF INTEREST POLICY
FOR THE CLYDE RUSSELL SCHOLARSHIP FUND**

Clyde Russell Scholarship Fund (CRSF) officials have a fiduciary obligation to act in the best interests of CRSF. The purpose of this Conflict of Interest Policy ("CI Policy") is to provide guidance to CRSF officials in complying with this fiduciary obligation.

I. DEFINITIONS

As used in the CI Policy, the following terms have the meanings indicated:

- A. The term "CRSF official" means a CRSF Trustee, the Secretary to the Trustees, any full-, part-time, temporary or permanent employee of the CRSF, or member of the CRSF Reading Committee.
- B. The term "immediate family" of a CRSF official means his or her parent, spouse or spousal equivalent, child, grandparent, grandchild, sibling, mother-or father-in-law, sister-or brother-in-law, or daughter-or son-in-law.
- C. The term "directly or indirectly" means an action taken by a CRSF official in his or her own name (directly), or through a member of the immediate family or a business associate of a CRSF official (indirectly).
- D. The term "participate in a CRSF decision" means the authority to approve, disapprove, recommend, or otherwise influence the position taken by the CRSF.
- E. The term "Conflict of Interest Officer" means the individual with the responsibility of implementing this policy.

II. STATEMENT OF PRINCIPLE

No CRSF official shall, directly or indirectly, have any interest or relationship, take any action or engage in any transaction, or incur any obligation which is in conflict with, or gives the appearance of a conflict with, the proper and faithful performance of his or her CRSF responsibilities.

III. PROHIBITED ACTIVITIES

The activities that are prohibited by the Statement of Principle set forth in Section II include, but are not limited to, the following:

- A. No CRSF official shall, without the advance written approval of the CI Officer, have a direct or indirect financial or personal interest in or relationship with any business, firm, person, or entity that does or seeks to do business with the CRSF. This prohibition shall not apply to investments in a business, firm, or other entity through the purchase of securities that are traded on a registered national securities exchange, or utilizing any services that the business, firm, person, or entity makes available to the general public in the normal course of business.
- B. No CRSF official shall receive any compensation, gift, gratuity, loan or other thing of value from any business, firm, person, or other entity which does or seeks to do business with the CRSF, or which has financial or other interests that may be affected by the performance or nonperformance of the CRSF official's CRSF responsibilities. The term "business, firm, person or other entity" does not include governance affiliates or subsidiary organizations of the Maine Education Association (MEA), and the term "compensation, gift, gratuity, loan, or any other thing of value" does not include an item that has a value of \$250 or less, or a loan that is available to the general public on similar terms. The prohibition in this Section III(B) shall not apply if the CRSF official receives the item in question in order to perform his or her CRSF responsibilities.
- C. No CRSF official shall, (1) except in the performance of his or her CRSF responsibilities or in response to a legal mandate, disclose any information obtained by reason of his or her CRSF position that is not otherwise available to the general public, and that could be used to the

detriment of the CRSF, or (2) use or permit others to use any information obtained by reason of his or her CRSF position that is not otherwise available to the general public to directly or indirectly further the CRSF official's financial or personal interest.

- D. No CRSF official shall, without the advance written approval of the CI Officer, directly or indirectly sell goods or services to the CRSF. This prohibition shall not apply to the payment, in accordance with CRSF policy, of compensation or a stipend to an CRSF official for carrying out his or her CRSF responsibilities.
- E. No CRSF official shall accept any other position or assignment which would conflict with his or her fiduciary obligation to act in the best interests of the CRSF, or interfere with the CRSF official's ability to properly carry out his or her CRSF responsibilities.
- F. No CRSF official shall use or permit others to use his or her position with the CRSF to create the impression that the CRSF endorses or has endorsed a product, service or program when that is not in fact the case, or to otherwise directly or indirectly further the CRSF official's financial or personal interest.
- G. No CRSF official nor immediate family member of a CRSF official shall be eligible to apply for a Clyde Russell Scholarship.

IV. IMPLEMENTATION PROCEDURE

- A. The Secretary to the Trustees of the CRSF shall serve as the Conflict of Interest Officer ("CI Officer"), and shall in that capacity be responsible for the implementation of the CI Policy. The CRSF Trustees shall make such modifications in the Policy as they may from time to time deem appropriate.
- B. (1) If a CRSF official believes that he or she may be engaged or about to become engaged in an activity that is prohibited by the CI Policy, he or she shall consult with the CI Officer. The CRSF official and the CI Officer shall attempt to deal with the matter informally. If they are unable to do so, the CI Officer shall submit to the CRSF official a written opinion indicating whether the activity in question is prohibited by the CI Policy, and, if so, what should be done to correct the situation.

(2) If the CRSF official disagrees, in whole or in part, with the conclusions of the CI Officer, he or she may appeal to the CRSF Trustees by filing a written notice of appeal with the Trustees within ten (10) calendar days after receiving the opinion of the CI Officer. The Trustees

shall decide the appeal as expeditiously as possible, and the decision of the Trustees shall be final and binding. If the CRSF official files a timely appeal, he or she need not comply with the opinion of the CI Officer pending the outcome of the appeal. If the CRSF official does not file a timely appeal, he or she shall comply with the opinion of the CI Officer.

- C. (1) If an MEA member or CRSF official believes that a CRSF official is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, the member or employee may file a written complaint with the CI Officer. The complainant shall identify himself or herself to the CI Officer, but the CI Officer shall, if requested to do so by the complainant, treat the complaint as anonymous and not reveal the complainant's name.
- (2) Upon receiving a complaint, the CI Officer shall consult with the complainant and the CRSF official in question. Based upon the information received from the complainant and the CRSF official, and/or other relevant information, the CI Officer shall decide whether the CRSF official is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, and, if so, what should be done to correct the situation. The CI Officer shall submit to the CRSF official and the complainant a written opinion setting forth his or her conclusions.
- (3) If the CRSF official disagrees, in whole or in part, with the conclusions of the CI Officer, he or she may appeal to the CRSF Trustees by filing a written notice of appeal within ten (10) calendar days after receiving the opinion of the CI Officer. The Trustees shall decide the appeal as expeditiously as possible, and the decision of the Trustees shall be final and binding. If the CRSF official files a timely appeal, he or she need not comply with the opinion of the CI Officer pending the outcome of the appeal. If the CRSF official does not file a timely appeal, he or she shall comply with the opinion of the CI Officer.
- D. In implementing the CI Policy, the CI Officer and the CRSF Trustees shall consider all relevant factors, including the specific CRSF responsibilities of the CRSF official and the nature of the allegedly prohibited activity, and shall interpret and apply the CI Policy in a manner that furthers its intended purpose.

V. MISCELLANEOUS

- A. Nothing in the CI Policy shall be interpreted or applied to deprive a CRSF official of any right that he or she may have under the CRSF governing documents, a contract with CRSF, or a statute. To the extent that the CI Policy is inconsistent with any such right, the right in the CRSF governing document, contract with CRSF, or statute shall take precedence.
- B. If a question arises as to whether the CI Officer or another member of the Trustees may be engaged or about to become engaged in an activity that is prohibited by the CI Policy, the matter shall be dealt with by the other Trustees.
- C. All information and documents involved in the implementation of the CI Policy shall be treated as confidential, and the CI Officer shall make such information and documents available to others only on an "as needed" basis.

VI. EFFECTIVE DATE AND AMENDMENT; DISTRIBUTION

- A. The CI Policy shall become effective on the date that it is adopted by the CRSF Trustees, and shall supersede all prior CRSF policies dealing with the same subject. The Trustees may amend the CI Policy from time to time as they deems appropriate.
- B. The CI Policy shall be posted on the website for the CRSF and be distributed to all CRSF officials and all persons who are otherwise designated to represent the CRSF.

Adopted by the Clyde Russell Scholarship Fund Trustees

December 1, 2006