

The Reporters Inc. Conflict of Interest Policy

Article I Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (The Reporters Inc.) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of The Reporters Inc. or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

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

- a.** An ownership or investment interest in any entity with which The Reporters Inc. has a transaction or arrangement,
- b.** A compensation arrangement with The Reporters Inc. or with any entity or individual with which The Reporters Inc. 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 Reporters Inc. is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, 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.

Article III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement. Board members, advisory committee members and key staff of The Reporters Inc. must disclose potential conflicts of interest annually.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/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 chairperson of the governing 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 governing board or committee shall determine whether The Reporters Inc. 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in The Reporters Inc.'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.

4. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a

member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

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

b. The names of the persons 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.

Article V Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from The Reporters Inc. for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from The Reporters Inc. for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from The Reporters Inc., either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands The Reporters Inc. is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure The Reporters Inc. operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to The Reporters Inc.'s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, The Reporters Inc. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

The Reporters Inc.

Conflict of Interest Disclosure Form

The Reporters Inc. and all officers, directors, delegates, council and committee members scrupulously shall avoid any conflict between their own respective personal, professional or business interests and the interests of The Reporters Inc., in any and all actions taken by them on behalf of The Reporters Inc. in their respective capacities.

In the event that any Officer, Director, Delegate, or Advisory Committee Member of The Reporters Inc. shall have any direct or indirect interest in, or relationship with, any individual or organization which proposes to enter into any transaction with The Reporters Inc., including but not limited to transactions involving...

- The sale, purchase, lease or rental of any property or other asset
- Employment, or rendition of services, personal or otherwise
- The award of any grant, contract, or subcontract
- The investment or deposit of any funds of The Reporters Inc.

...such person shall give notice of such interest or relationship and shall thereafter refrain from discussing or voting on the particular transaction in which he has an interest, or otherwise attempting to exert any influence on The Reporters Inc., or its components to affect a decision to participate or not participate in such transaction. Where there is doubt as to whether a conflict exists, the matter shall be resolved by a vote of the Board of Directors or its committee, as the case may be.

Please describe below any relationships, transactions, or positions you hold (volunteer or otherwise), or circumstances that you believe could create a conflict of interest, now or in the future, between The Reporters Inc. and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report.

I have the following conflict(s) of interest or potential conflict(s) of interest, to report:

1. _____
2. _____
3. _____

I have reviewed The Reporters Inc. conflict of interest policy and I understand that it is my obligation to disclose a conflict of interest, or appearance of a conflict, to the board when a conflict, or appearance of a conflict, arises, and that for transactions in which I have a conflict, I will abstain from any vote on the matter involving the conflict.

Name (print) : _____

Signature: _____ Date: _____