

**CONFLICT OF INTEREST POLICY
OF
THE INDIANA DEBATE COMMISSION**

Section 1. Purposes. The purpose of this conflict of interest policy is to protect the interest of the Indiana Debate Commission (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a related party.

Section 2. Definitions.

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

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- i. an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- ii. a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- iii. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists by a two-thirds vote. If it is determined that a conflict of interest exists, the board or committee shall proceed as provided in Section 3(c).

(c) Addressing the Conflict of Interest.

- i. If the board or committee has not already done so, the president may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- ii. After exercising due diligence, the board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- iii. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to 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 Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- iv. In determining whether to enter into the transaction or arrangement under Section 3(c)iii., the board or committee may request that the interested board member or committee member provide additional information to the board or committee. The interested person shall not be present or participate in the vote on whether to enter into such transaction, but may be counted for purposes of determining the existence of a quorum. If the interested director is counted for quorum purposes, the action must be approved by a sufficient number of votes based upon that quorum. For example, if a majority vote of the quorum is required to approve an action and eight (8) directors constitute a quorum, the action must be approved by five (5) of the seven (7) disinterested directors voting on the transaction or arrangement.

(d) Violations of the Conflict of Interest Policy.

- i. If the board or committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
- ii. If, after hearing the response of the interested person and making such further investigation as may be warranted in the circumstances, the board or committee determines that the interested person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the 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 board's or committee's decision as to whether a conflict of interest in fact existed; and
- (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 therewith.

Section 5. Annual Statements. Each director, principal officer, key employee and member of a committee with board delegated powers shall annually sign a statement similar to that attached as Exhibit 1 which affirms that such person:

- (a) has received a copy of the conflict of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 6. Periodic Reviews. To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, assess whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

Section 7. Use of Outside Experts. In conducting the periodic reviews provided for in Section 6, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

EXHIBIT 1

CONFLICT OF INTEREST STATEMENT

To: Board of Directors, Indiana Debate Commission

I, the undersigned, associated with the above-captioned corporation (hereinafter the "Corporation") in a capacity of director, principal officer, key employee, or member of a committee with board delegated powers represent that as of the date specified below, I have the financial interests described below.

In accordance with the Corporation's duly adopted conflict of interest policy, I understand that I have a "financial interest" if I have, directly or indirectly, through business, investment or family: (i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

I declare that I will inform the President (or in the case of the President, the Board of Directors) of the Corporation, in writing, of any material change in the information I have provided herein.

I do further specifically represent that I have received a copy of the Corporation's conflict of interest policy, that I have read and understand such policy, and that I agree to comply with such policy in every respect.

I understand that the Corporation is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

As of this date, I have the following financial interests:

I hereby affirm that the foregoing information is correct and complete.

Signed: _____

Printed Name: _____

Dated: _____