



Osher Lifelong Learning Institute at Carnegie Mellon University

Conflict of Interest Policy and Procedure

Purpose: The purpose of this policy is to protect Osher Lifelong Learning Institute at Carnegie Mellon University (Osher) when it is contemplating entering into a business transaction or arrangement that might benefit the private interest of a Board Member or might result in an excess benefit transaction.

Procedure: Board Members must disclose if they, their family or business, have an actual or potential direct or indirect financial or beneficial interest with any entity or individual which Osher has, or is negotiating, a business transaction or arrangement.

If a potential conflict is disclosed, the Board shall meet, without the presence of the Member making the disclosure, to discuss the circumstances and determine by vote whether a conflict of interest exists.

If the Board determines that a conflict of interest does exist related to a planned transaction or business arrangement, the Board shall determine, with reasonable effort, whether a more advantageous transaction or arrangement can be obtained from an entity that would not give rise to a conflict. If such a more advantageous transaction or arrangement is not reasonably practical, the Board shall determine by a majority vote of the disinterested members whether the original proposed transaction or arrangement is in Osher's best interest, and whether it is fair and reasonable and should be pursued. A Board Member who has such a conflict is required to refrain from advocating for or voting on the related business item, but may participate in the discussion at the discretion of the President.

If the Board has reasonable cause to believe that a Board Member has failed to disclose an actual or possible conflict of interest, it shall discuss the matter with the Board Member. After such discussion and any relevant further investigation, if the Board determines that member has failed to disclose an actual or potential conflict of interest, it shall take appropriate follow-up actions.

Records: The minutes of any Board meetings where potential conflicts of interest are discussed shall identify the specific potential conflicts, the Board Members who disclosed such information, actions taken to determine whether or not a conflict existed, and the Board's decision. Key points of any discussion of alternatives considered and a record of any votes taken in the case of a determined conflict and the final Board actions shall be included.

Annual Statement: Each year at the first meeting of the Board following the introduction of the new Board Members, the Secretary of the Board will ensure that all Board Members complete and sign the "Osher Conflict of Interest Disclosure Form."

Periodic Reviews: To ensure Osher operates in a manner consistent with its nonprofit purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews should be conducted. These reviews should at a minimum, include (1) reviewing whether compensation arrangements and benefits are reasonable based on competent survey information and arm's length bargaining, and (2) whether business transactions and arrangements conform to Osher's written policies, are properly recorded, reflect reasonable payments for goods and services, further the nonprofit purposes and do not result in impermissible private benefit or in excess benefit transactions. Osher may use outside advisors to assist or conduct such reviews.