

**CONFLICTS OF INTEREST POLICY OF THE
NEW YORK CITY OUTWARD BOUND CENTER, INC.**

(Revised December 2008)

Preamble. All members of the New York City Outward Bound Center, Inc. (NYC Outward Bound) community must act at all times in the best interests of NYC Outward Bound and not for personal or third-party gain or financial enrichment. However, recognizing that there may be financial relationships beneficial to the NYC Outward Bound that also benefit Board members, officers or employees, these relationships are not prohibited but rather are required to be disclosed and carefully reviewed to ensure that they are in the best interests of the organization.

It is the policy of NYC Outward Bound that no transaction between it and its Board members, officers, or staff members involve an actual or perceived conflict of interest.

The organization will carry out the following procedures to ensure that all financial relationships are fully disclosed and reviewed, and entered into only when in the best interests of NYC Outward Bound:

Disclosure.

- (a) Prior to election to the Board or being hired, and annually thereafter, all Board members, officers and key employees shall disclose in writing, to the best of their knowledge, any financial interest they may have (as defined below) with NYC Outward Bound.
- (b) A copy of each disclosure statement shall be reviewed by a committee comprised of the President, the Chief Financial Officer and the Chair of the Audit Committee, provided such persons are not involved in the disclosure of financial interest. If one of the above named reviewers is disqualified, a third reviewer shall be chosen by the remaining members of the review committee. A copy of each disclosure statement will be made available to any Board member on request.
- (c) As used herein, "interest" is defined as any financial relationship or use of organizational resources that benefits a Board member, officer or key employee or their family members, including benefits to corporations or other concerns with which the Board member, officer, key employee or their family members is closely associated.
- (d) If any disclosures are reflected in a completed questionnaire, a further investigation of the facts shall be undertaken by the reviewers and a report of the results of their investigation and actions will be made to the Executive Committee which may take such further action as they believe necessary or advisable.
- (e) If at any time during his or her term of service, a Board member, officer or key employee has any interest which may pose a conflict of interest, he or she shall promptly disclose the material facts of that interest in writing to the President. These disclosures will be investigated as described in paragraph (d).
- (f) When any matter in which a Board member, officer or key employee has an interest comes before the Board or any committee of the Board for decision or approval, that interest shall be immediately disclosed to the Board or the committee.

Voting. No Board member shall vote on any matter in which he or she has an interest.

Non-Participation. The Board or members of a Board committee may, by majority vote, ask any Board member, officer or key employee who has an interest in a matter not to participate, or to leave the room at the Board meeting or committee meeting at which discussion regarding that matter is carried on; provided, however, that the interested Board member, officer or key employee may participate in any discussion regarding his or her exclusion.

Attempts to Influence. Board members, officers and key employees shall not attempt to influence other Board members, officers or key employees regarding matters in which they have an interest, without first disclosing that interest.

Review of Proposed Financial Relationships. The Board or a committee of the Board made up of disinterested Board members shall review all proposed contracts, hiring decisions, or other actions that would result in a financial relationship between NYC Outward Bound and a Board member, officer, key employee or his/her family member.

In reaching its decision, the Board or Committee shall take into account the terms of possible alternatives, and consider whether or not the proposed action is fair, reasonable and in the best interest of NYC Outward Bound. All such actions shall be recorded in the minutes of the Board or the Board committee that reviewed the proposal.

Related Matters

While the core focus of this policy is identification and disclosure of financial relationships, Board members, officers and staff shall also:

- Avoid placing (and avoid the appearance of placing) one's own self-interest or any third-party interest above that of NYC Outward Bound. While the receipt of incidental personal or third-party benefit may necessarily flow from certain NYC Outward Bound activities, such benefit must be merely incidental to the primary benefit to NYC Outward Bound and its purposes;
- not abuse their Board membership or staff positions by improperly using NYC Outward Bound's staff, services, equipment, materials, resources, or property for their personal or third-party gain, and shall not represent to third parties that their authority as a Board member, officer or employee extends any further than that which it actually extends;
- not engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect NYC Outward Bound;
- not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to NYC Outward Bound without fully disclosing such items to the Board of Directors;
- not persuade or attempt to persuade any employee of NYC Outward Bound to leave the employ of NYC Outward Bound or to become employed by any person or entity other than NYC Outward Bound without prior consultation with the President

Definitions (Source: 2008 Instructions for IRS Form 990).

Conflict of interest policy: A policy that defines conflict of interest, identifies the classes of individuals within the organization covered by the policy, facilitates disclosure of information

that may help identify conflicts of interest, and specifies procedures to be followed in managing conflicts of interest. A conflict of interest arises when a person is in a position of authority over an organization, such as an officer, director or manager, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. For this purpose, a conflict of interest does not include questions involving a person's competing or respective duties to the organization and to another organization, such as by serving on the boards of both organizations, that do not involve a material financial interest of, or benefit to, such person.

Family member, family relationship: Unless specified otherwise, the family of an individual includes only his or her spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses of brothers, sisters, children, grandchildren, and great grandchildren.

Independent voting member of governing body: A voting member of the governing body, is independent if all three of the following circumstances applied at all times during the organization's tax year:

1. The member was not compensated as an officer or other employee of the organization or of a related organization (see instructions for Schedule R, Related Organizations and Unrelated Partnerships), except as provided in the religious exception discussed in instructions for Form 990, Part VI.
2. The member did not receive total compensation or other payments exceeding \$10,000 during the organization's tax year from the organization or from related organizations as an independent contractor, other than reimbursement of expenses under an accountable plan or reasonable compensation for services provided in the capacity as a member of the governing body. For example, a person who receives reasonable expense reimbursements and reasonable compensation as a director of the organization does not cease to be independent merely because he or she also receives payments of \$7,500 from the organization for other arrangements.
3. Neither the member, nor any family member of the member, was involved in a transaction with the organization (whether directly or indirectly through affiliation with another organization) that is required to be reported in Schedule L, Transactions With Interested Persons, for the organization's tax year, or in a transaction with a related organization of a type and amount that would be reportable on Schedule L if required to be filed by the related organization.

A member of the governing body is not considered to lack independence merely because of the following circumstances:

1. the member is a donor to the organization, regardless of the amount of the contribution:
2. The member has taken a bona fide vow of poverty and either (A) receives compensation as an agent of a religious order or a 501(d) religious or apostolic organization, but only under circumstances in which the member does not receive taxable income (see, e.g., Rev.

Ruls.77-290, 80-332); or (B) belongs to a religious order that receives sponsorship or payments from the organization which do not constitute taxable income to the member; or

3. The member receives financial benefits from the organization solely in the capacity of being a member of the charitable or other class served by the organization in the exercise of its exempt function, such as being a member of a section 501 (c)(6) organization, so long as the financial benefits comply with the organization's terms of membership.

Key employee: For purposes of Form 990 reporting, an employee of the organization (other than an officer, director, or trustee) who meets all three of the following tests:

1. \$150,000 Test. Receives reportable compensation from the organization and all related organizations in excess of \$150,000 for the calendar year ending with or within the organization's tax year;
2. Responsibility Test. The employee:
 - (a) has responsibilities, powers or influence over the organization as a whole that is similar to those of officers, directors, or trustees;
 - (b) manages a discrete segment or activity of the organization that represents 10% or more of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole; or
 - (c) has or shares authority to control or determine 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.
3. Top 20 Test. Is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from the organization and related organizations for the calendar year ending with or within the organization's tax year.

Officer: A person elected or appointed to manage the organization's daily operations, such as a president, vice-president, secretary, or treasurer. The officers of an organization are determined by reference to its organizing document, bylaws, or resolutions of its governing body, or as otherwise designated consistent with state law, but at a minimum include those officers required by applicable state law. For purposes of Form 990 reporting, treat the organization's top management official and top financial official (the person who has ultimate responsibility for managing the organization's finances) as officers.

Disclosure Statement

NEW YORK CITY OUTWARD BOUND CENTER, INC.
CONFLICT OF INTEREST DISCLOSURE STATEMENT
(Revised December 2008)

I have read the Conflict of Interest Policy of the New York City Outward Bound Center, Inc. (NYC Outward Bound). To the best of my knowledge, except as disclosed in the attached statement, I do not have an interest, as defined in the policy, requiring disclosure under the Policy, nor do I intend to acquire such an interest.

(A) Without exception /___/

(B) Except as described below: /___/

Please be as specific about the nature of the relationship and its financial aspects. If the relationship is between NYC Outward Bound and a corporation or other organization that you are closely associated with, please include a description of the nature of your association with the corporation or other organization.

If any situation should arise in the future which I think may involve me in a conflict of interest, I will promptly disclose the conflict in writing to the President.

Date: _____

Signature: _____

Print Name: _____