CLUSTER LEADER - CONFLICT OF INTEREST POLICY
Approved by Taskforce

Article I - Purpose

The purpose of the conflict of interest policy is to protect the interest of NASDCTEc/NCTEF (the "organization") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Cluster Leader or Cluster Leader representative, officer, director or employee (henceforth referred to collectively as "Cluster Leader"). This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II - Statement of Belief

Cluster Leaders shall make decisions in the best interests of the organization only and without regard to the personal, family, financial, or professional interests of any individual Cluster Leader or Cluster Leader representative, officer, director or employee.

Article III - Definitions

1. Interested Person

Any Cluster Leader who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in the group of affiliated organizations of which the organization is a part, he or she is an interested person with respect to all entities in the group.

2. Financial Interest

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

a. an ownership or investment interest in any entity with which the organization has a transaction or arrangement, or

b. a compensation arrangement with the organization or with any entity or individual with which the organization 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 organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are **substantial in nature** (i.e., $50 or greater in value).

Article IV
Procedures

1. 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 NASDCTEc or NCTEF Board of Directors ("Board of Directors"), on a timely basis, for consideration of the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest, the Board of Directors will discuss the matter and vote to decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

a. The President of the Board of Directors shall, if appropriate, appoint a disinterested committee of Board members to investigate alternatives to the proposed transaction or arrangement.

b. After exercising due diligence, the Board of Directors shall determine whether the organization 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.

c. 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 of Directors shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the organization's best interest or for its own benefit and whether the transaction is fair and reasonable to the organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

a. If the Board of Directors has reasonable cause to believe that a Cluster Leader has failed to disclose actual or possible conflicts of interest, it shall inform the Cluster Leader of the basis for such belief and afford the Cluster Leader an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the Cluster Leader and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the Cluster Leader has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate correction action.

Article V
Record of Proceedings

The minutes of the Board of Directors shall contain—

a. the names of the person who disclosed or otherwise were found to have a conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' 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 therewith.

Article VI
Annual Statements

Each Cluster Leader shall annually sign a statement that affirms that such Cluster Leader—

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

Conflict of Interest
Annual Statement
FY Entered Here

In accordance with NASDCTEc/NCTEF's conflict of interest policy, I hereby confirm that:

- I have received a copy of the conflict of interest policy;
- I have read and understand the policy;
- I have agreed to comply with the policy; and
- I understand that NCTEF is a charitable organization and that, to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

After reviewing the Conflict of Interest policy, (select one)

( ) I confirm that I have no financial interest as defined in Article III, 2., in an entity which has intentions of entering into a transaction or arrangement with NASDCTEc/NCTEF or its affiliates.

( ) I confirm that I have a financial interest, as defined in Article III, 2., in an entity which has intentions of entering into a transaction or arrangement with NASDCTEc/NCTEF or its affiliates. The entity or entities in which I have a financial interest are as follows:

_____

_____

_____

_____In addition, I wish to disclose that I serve on the Board of Directors of the following organizations, which have or may have a financial arrangements, contractual or otherwise, with NASDCTEc or NCTEF:

_____

_____

_____

_____

_____

_____ _____
Signature Date

_____

Print Name

***** We would like to acknowledge CORD for graciously sharing its conflict of interest policy, from which the proposed NASDCTEc/NCTEF policy is substantially adapted.***