

Conflict of Interest Policy of North Carolina Telugu Brahmin Association (NCTBA)

Adopted by the Board of Directors on Oct 10, 2022

I. Overview

1. **Purpose**

The purpose of this Conflict of Interest Policy (the "policy") is to protect NCTBA's interests when it is considering taking an action or entering into a transaction that might benefit the financial or non-financial interests of a director, officer or **key person**¹, or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

2. **Why is a policy necessary?**

As a nonprofit, charitable organization, NCTBA is accountable to both government agencies and members of the public for responsible and proper use of its resources. Directors, officers and employees have a duty to act in NCTBA's best interests and may not use their positions for their own financial or non-financial benefit.

Conflicts of interest must be taken very seriously since they can damage NCTBA's reputation and expose both NCTBA and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for NCTBA.

3. **To whom does the policy apply?**

This policy applies to all directors, officers and key persons¹.

II. Identifying Conflicts of Interest

1. **What is a conflict of interest?**

A potential conflict of interest arises when a director, officer or key person, or that person's **relative**² or business (a) stands to gain a financial or non-financial benefit from an action NCTBA takes or a transaction into which NCTBA enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director, officer or key person in discharging their duties to NCTBA.

2. **What are some examples of potential conflicts of interest?**

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a director, officer or key person or that person's relative or business:

¹ **Key person** means a person, other than a director or officer, whether or not an employee of NCTBA, who:

- a) has responsibilities, or exercises powers or influence over NCTBA as a whole similar to the responsibilities, powers, or influence of directors and officers;
- b) manages NCTBA, or a segment of NCTBA that represents a substantial portion of the activities, assets, income, or expenses of NCTBA; or
- c) alone or with others controls or determines a substantial portion of NCTBA's capital expenditures or operating budget.

² **Relative** means a person's spouse or domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

- has an ownership or investment interest in any third party that NCTBA deals with or is considering dealing with;
 - serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that NCTBA deals with or is considering dealing with;
 - receives or may receive compensation or other benefits in connection with a transaction into which NCTBA enters;
 - receives or may receive personal gifts or loans from third parties dealing with NCTBA;
 - serves on the board of directors of another nonprofit organization that is competing with NCTBA for a grant or contract;
 - has a close personal or business relationship with a participant in a transaction being considered by NCTBA;
 - would like to pursue a transaction being considered by NCTBA for their personal benefit.
3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.
 4. **A potential conflict is not necessarily a conflict of interest.** A person has a conflict of interest only if the audit committee decides, pursuant to Section IV of this policy, that a conflict of interest exists.

III. Disclosing Potential Conflicts of Interest

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the audit committee.
2. You must file an annual disclosure statement in the form attached to this policy. **If you are a director**, you must also file this statement prior to your initial election. Submit the form to the chair of the audit committee.

IV. Determining Whether a Conflict of Interest Exists

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned director, officer or key person, the audit committee shall determine whether there is a conflict of interest. The director, officer or key person shall not be present for deliberation or vote on the matter and must not attempt to influence improperly the determination of whether a conflict of interest exists.
2. In determining whether a conflict of interest exists, the audit committee (comprised of NCTBA Trustees, President, Vice-President and Secretary) shall consider whether the potential conflict of interest would cause a transaction entered into by NCTBA to raise questions of bias, inappropriate use of NCTBA's assets, or any other impropriety.

3. A conflict always exists in the case of a **related party transaction** – a transaction, agreement or other arrangement in which a **related party**³ has a financial or non-financial interest and in which NCTBA or any affiliate of NCTBA is a participant.⁴
4. If the audit committee determines that there is a conflict of interest, it shall refer the matter to the board of directors ("board").

V. Procedures for Addressing a Conflict of Interest

1. When a matter involving a conflict of interest comes before the board, the board may seek information from the director, officer or key person with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to influence improperly the deliberation or vote.
2. **Additional Procedures for Addressing Related Party Transactions**
 - a. NCTBA may not enter into a related party transaction unless, after good faith disclosure of the material facts by the director, officer or key person, the board or a committee authorized by the board determines that the transaction is fair, reasonable and in NCTBA's best interest at the time of such determination.
 - b. If the related party has a substantial financial or other interest, the board or authorized committee shall:
 - i. prior to entering into the transaction, consider alternative transactions to the extent available;
 - ii. approve the transaction by a vote of not less than a majority of the directors present at the meeting; and
 - iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

³ A **related party** is:

1. a director, officer or key person of NCTBA or any affiliate of NCTBA, or
2. a relative of any individual described in (1), or
3. an entity in which any individual described in (1) or (2) has an ownership or beneficial interest of 35% or more, or in the case of a partnership or professional Corporation, a direct or indirect ownership interest in excess of 5%.

⁴ A transaction is not a related party transaction if:

1. the transaction, or the related party's financial interest in the transaction, is *de minimis*;
2. the transaction would not customarily be reviewed by the board or the boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms;
3. the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that NCTBA intends to benefit as part of the accomplishment of its mission (and that benefit is available to all similarly situated members of the same class on the same terms).

VI. Minutes and Documentation

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the board; and
- d. if the transaction was approved, the basis for the approval.

VII. Prohibited Acts

NCTBA shall not make a loan to any director or officer.

VIII. Procedures for Determining Compensation


According to current NCTBA Bylaws, officers, board members and key persons are all volunteers, and are not compensated. However, if Bylaws are updated to contain to compensate an officer, a board member or a key person, the following procedures will apply.

1. No person shall be present for or participate in board or committee discussion or vote pertaining to:

- a. their own compensation;
- b. the compensation of their relative;
- c. the compensation of any person who is in a position to direct or control them in an employment relationship;
- d. the compensation of any person who is in a position to directly affect their financial interests; or
- e. any other compensation decision from which the person stands to benefit.

2. In the case of compensation of Key Persons, the following additional procedures apply:

- a. The board or a committee authorized by the board shall approve compensation before it is paid.
- b. The board or authorized committee shall base approval of compensation on appropriate data, including compensation paid by comparable organizations (three are sufficient if the Corporation's income is less than \$1,000,000) for functionally similar positions, availability of similar services in the geographic area of the Corporation, and compensation surveys compiled by independent firms.
- c. The board or authorized committee shall contemporaneously document:
 - i. the terms of compensation and date of determination;

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- ii. the members of the board or committee who were present and those who voted for it;
 - iii. the comparability data relied on and how it was obtained;
 - iv. if the compensation is higher or lower than the range of comparable data, the basis for the determination, and;
 - v. any actions with respect to consideration of the compensation by anyone on the board or committee who had a conflict of interest with respect to the matter.

North Carolina Telugu Brahmin Association (NCTBA)
Conflict of Interest Disclosure Statement - Signatures

#	Name	Position	Signature	Date
1	Siva Charvu	Trustee/ Chairman	<i>Siva Charvu</i>	10/8/2022
2	Vasanth Chaganti	Trustee/Gen. Sec.	<i>A. Vasanth Chaganti</i>	10/8/2022
3	Sridevi Mudunuri	Trustee/Vice Chairman	<i>Sridevi</i>	10/8/2022
4	Himabindu Venuturupalle	President	<i>Himabindu</i>	10/8/2022
5	Sridhar Oruganti	Director		
6	Praveen Budamagunta	Director	<i>P. Budamagunta</i>	10/08/2022
7	Ramakrishna Prabhala	Director	<i>P.D.R. Krishna</i>	10/8/2022
8	Kanthi Kaligotla	Director	<i>Kanthi Kaligotla</i>	10/08/2022
9	Sandeep Sharma	Director		
10	Jeevan Popuri	Director		
11	Prabhakar Kummamuru	Director	<i>P. Prabhakar</i>	10/08/2022
12	Vijaya Komala Kaza	Director		
13	Pawankumar Vuppuluri	Director	<i>P. Vuppuluri</i>	10/8/2022
14	Venkata Sundaragiri	Proxy - IT	<i>V. Sundaragiri</i>	10/8/2022
15	Proxy for Charity Sridhar Oruganti	Proxy - Charity	<i>A. Vasanth Chaganti</i>	10/8/2022
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