



<p>PARC Policy & Procedure Manual</p> <p>Department: Corporate Compliance Include Other Departments this applies to:</p> <p>All Staff, Directors, Officers, Members of Standing Committees and Volunteers</p> <p>Committee: Corporate Compliance</p>	<p>Topic: Conflict of Interest</p> <p>Version Date: July 1, 2014</p> <p>Prior Revision Dates: 1/06</p>	<p>Page 1 of 6</p> <p>Regulatory Reference: Not-For-Profit Revitalization Act (NPRA)</p>
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Policy Statement:

A potential conflict of interest exists whenever it appears that the actions of a person may be motivated by considerations other than the best interest of PARC. A thorough understanding of the circumstances surrounding such action, accompanied with full disclosure, will minimize the potential for a conflict of interest. Generally, a conflict of interest exists (a) where a Key Employee, Affiliate, Board Member, Independent Director, or Related Party's, outside interests or affiliations may influence or appear to influence a decision of PARC; (b) where any Key Employee, Affiliate, Board Member, Independent Director, or Related Party may benefit, either directly or indirectly, by virtue of a position with PARC by using the authority or benefits of that position to compete with PARC.

It is the policy of PARC that no Key Employee, Affiliate, Board Member, Independent Director, or Related Party shall personally profit or be perceived as personally profiting in any way from any Related Party Transaction with PARC. Related Party Transactions include, but are not limited to, the sale of services or products, the use of capital, and the lease and/or purchase of real estate. In addition, Key Employee's, Affiliate's, Board Member's, Independent Director's, or Related Parties shall not influence the administrative execution of established Board policies, such as in the areas of purchasing or the appointment or termination of personnel, in which a Key Employee, Affiliate, Board Member, Independent Director, or Related Party has any direct, personal interest. Key Employee's, Affiliate's, Board Members, Independent Director's, or Related Party's will support and abide by PARC's established due process. This policy is not meant to rule out transactions between PARC and other persons or entities where an interest or a relationship between a Key Employee, Affiliate, Board Member, Independent Director, or Related Party and such other person or entity exists which requires proper disclosure and which is documented as being the outcome of established purchasing policies and procedures, and are determined to be in the best interest of PARC.

This Conflict of Interest Policy is intended to ensure that: (1) All Board and/or Agency policy decisions and organizational transactions are never tainted with actual or perceived conflicts of interest; (2) No Key Employee, Affiliate, Board Member, Independent Director, or Related Party is ever charged with personal profit as a result of having served as a member on PARC's Board of Directors or as a PARC Employee; and (3) PARC is in compliance with all laws and regulations.



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Definitions Pursuant to the Not-For-Profit Revitalization Act:

Affiliate means “any entity controlled by, in control of, or under common control with such corporation”.

Entire Board means “the total number of directors entitled to vote which the corporation would have if there were no vacancies. If the by-laws of the corporation provide that the board shall consist of a fixed number of directors, then the “entire board” shall consist of that number of directors. If the by-laws of any corporation provide that the board may consist of a range between a minimum and a maximum number of directors, then the “entire board” shall consist of the number of directors within such range that were elected as of the most recently held election of directors.”

Independent Director means “a director who: (i) is not, and has not been within the last three years, an employee of the corporation or an affiliate of the corporation, and does not have a relative who is, or has been within the last three years, a key employee of the corporation or an affiliate of the corporation; (ii) has not received, and does not have a relative who received, in any of the last three fiscal years, more than ten thousand dollars in direct compensation from the corporation or an affiliate of the corporation [other than reimbursement for expenses reasonably incurred as a director or reasonable compensation as a director as permitted by paragraph (a) of section 202 (general and special powers)]; and (iii) is not a current employee of or does not have a substantial financial interest in, and does not have a relative who is a current officer of or has a substantial financial interest in, any entity that has made payments to, or received payments from, the corporation or an affiliate of the corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of twenty-five thousand dollars or two percent of such entity’s consolidated gross revenues. For purpose of this paragraph, “payment” does not include charitable contributions.

Key Employee means “any person who is in a position to exercise substantial influence over the affairs of the corporation as referenced in 48 in 26 U.S.C. 4958(f)(1)(a) and further specified in 26 CFR 49 53.4958-3(c), (d) and (e) or succeeding provisions.

Related Party means (i) any director, officer, or key employee of the corporation or any affiliate of the corporation, (ii) any relative of any director, officer, or key employee of the corporation or any affiliate of the corporation, or (iii) an entity in which any individual described in clauses (i) and (ii) of this subparagraph has a 35% or greater ownership or beneficial interest, or in the case



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of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%. Note: There's no conflict if somebody serves on more than one board.

Related Party Transaction means "any transaction, agreement, or any other arrangement in which a related party has a financial interest and in which the corporation or any affiliates of the corporation is a participant". Corporations may not enter into an RPT unless the Board determines it's fair, reasonable, and in the corporation's best interest. In addition, any directors, officers, or key employees who have a substantial financial interest in the RPT must disclose material facts regarding the RPT in good faith. If an RPT involves the charitable corporation and a Related Party with a "substantial financial interest", the Board (or a committee thereof) is required to: (a) consider alternative transactions; (b) approve the transaction by majority vote of the members present at the meeting, and (c) contemporaneously document in writing the basis for the Board's approval of the transaction, including all alternatives it considered and the reasons why they were not options.

Relative means a "(i) spouse, ancestors, brothers and sisters (whole or half blood), children (natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner as defined in Section 2993-a of the Public Health Law"

Procedure:

PARC and its Representatives

1. Avoid any direct or indirect conflict of interest.
2. Investing or holding an investment, directly or indirectly, in any commercial, private, financial or business transaction, which creates a conflict of interest in and with official duties, is prohibited (except as permitted by law).
3. Engaging in or accepting private employment, or rendering services for personal interest, which creates a conflict with or impairs the performance of official duties, is prohibited.



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Board of Directors, Key Employees, and Affiliates:

1. Disclose to the Board of Directors, through the Chief Compliance Officer, any relationship which you currently have or had during the previous twelve (12) months with any person, entity, or matter under review for decision by the Board of Directors or PARC. Any such relationship must be disclosed prior to the issue being deliberated. Interests or relationships requiring such disclosure shall include, but are not limited to, the following:
 - A. Ownership of capital stock, partnerships or other proprietary rights;
 - B. Ownership of notes, bonds or other claims as a creditor;
 - C. A direct or indirect beneficial interest through a trust, nominee, spouse, significant other, family member or other relationship including employment of an entity or enterprise which:
 - i. sells goods or services to PARC;
 - ii. assets of PARC are deposited or invested;
 - iii. is seeking, or has, any business connection with PARC.
2. In the event of a disclosure of a Conflict of Interest with respect to a matter before the Board of Directors, or its standing committees, person with the conflict: (1) may NOT be present or participate in any Board or Audit Committee deliberations or votes on the Related Party Transaction or matter giving rise to the conflict; and (2) is prohibited from making any attempts to improperly influence deliberations or votes on the matter.
3. Annually completes and submits to the Chief Compliance Officer a Conflict of Interest Disclosure Statement in the form attached.

Board of Directors:

1. Before the initial election of any director (and annually thereafter) each director must submit to the Secretary of the Chapter a Conflict of Interest Disclosure Statement



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identifying any entity which the director is “an officer, director, trustee, member, owner, or employee” and with which PARC is a participant, and in which the director *might* have a conflicting interest.

2. Upon presentation of a potential or actual Related Party Transaction, The Secretary of the Chapter shall document the disclosure, discussion and outcome of the discussion regarding the Related Party Transaction.
3. The person with the conflict may NOT be present or participate in any Board or Audit Committee deliberations or votes on the Related Party Transaction or matter giving rise to the conflict.
4. The Key Employee, Affiliate or Board Member with the potential conflict is prohibited from making any attempts to improperly influence deliberations or votes on the matter.
5. The Secretary of the Chapter shall document in the Board minutes that the Chief Compliance Officer presented the results of the Annual Conflict of Interest Disclosure Statements to the Board, and any intermittent Conflict of Interest Statements from newly hired Key Employees.


Corporate Compliance Officer:

1. Annually distributes, receives and reviews Conflict of Interest Disclosure Statements from each Key Employee, Affiliate, and Board Member.
2. Annually informs Audit Committee or the Board of Directors, and the Executive Director of any actual or perceived conflict of interest to facilitate any appropriate action.
3. Ensures that Key Employees complete a Conflict of Interest Disclosure Statement upon hire, and reports any actual of perceived conflict of interest to the Audit Committee or the Board of Directors, and the Executive Director.



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| <ol style="list-style-type: none"> 4. Maintains original Conflict of Interest Disclosure Statements for audit purposes. 5. Presents to the Board of Director on an annual basis in order for the existence and resolution of any conflicts to be documented in the Board's meeting minutes. 6. Presents to the Board of Directors as needed when a potential Related Party Transaction is identified, so that the matter can be disclosed, addressed and documented. |
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<p>Reviewed by Chief Compliance Officer: Darby Walsh</p>	<p>Date of Review: 6/25/14</p>
<p>Approved by Executive Director: Susan Limongello </p>	<p>Date of Approval: JUN 30 2014</p>
<p>Distribution: All Staff, Directors, Officers, Members of Standing Committees and Volunteers</p>	<p>Date of Distribution: 7/1/14</p>