

**ANNUAL CONFLICT OF INTEREST STATEMENT**

**HAWAII EDUCATION ASSOCIATION (HEA)**

(A Hawaii nonprofit corporation)

In my capacity as a President (insert office or offices held) for Hawaii Education Association (HEA) (the "Corporation"), I submit this Annual Conflict of Interest Statement in accordance with Article VI of the Corporation's Conflict of Interest Policy (the "Policy"). In this regard, I affirm that I have received a copy of the Policy, have read and understand the Policy, agree to comply with the Policy, and understand the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

I further affirm that to the best of my knowledge, except as disclosed below, neither I nor any person with whom I have or have had a personal or business relationship *is engaged in (or intends to engage in)* any transaction or activity or *has (or intends to have)* any relationship that may present an actual or potential conflict of interest. I agree that if I become aware of any transaction or activity in the future that may contradict these affirmations or otherwise may present an actual or potential conflict of interest, I will immediately disclose this to the Board of Directors.

Signature:  Date: 4/22/17

Name (please print your name): June Motokawa

**DISCLOSURE STATEMENT**

The following describes actual or potential conflicts of interest (if you have a disclosure, describe the actual or potential conflict):

## **CONFLICT OF INTEREST POLICY**

### **HAWAII EDUCATION ASSOCIATION (HEA)**

(A Hawaii nonprofit corporation)

The Board of Directors of Hawaii Education Association (HEA) (the "Corporation") has adopted this policy to ensure that the affairs of the Corporation are managed in an ethical manner, without improper conflicts of interest. The Board has adopted the following provisions to establish clear guidelines to implement this objective and fulfill the purposes of the policy.

#### **ARTICLE I**

##### **PURPOSE**

The purposes of this policy are as follows:

- (1) To ensure that the Corporation receives fair value for the goods and services it obtains and that no one affiliated with the Corporation receives an unfair benefit from such affiliation;
- (2) To maintain the confidence of donors, the constituency, and the community in the integrity, honesty and exempt purposes of the Corporation; and
- (3) To ensure that the directors and officers of the Corporation maintain the highest standards of conduct in discharging their corporate duties.

#### **ARTICLE II**

##### **DEFINITIONS**

Virtually any situation in which the Corporation provides a benefit to or for an *interested person* may present a conflict of interest. An "interested person" may be (a) any person who was during the previous 5-years in a position of *substantial influence* over the affairs of the Corporation, (b) a *member of the family* of such person, or (c) an entity in which individuals described in the preceding categories have more than a 35% interest.

A person is in a position of "substantial influence" if the person (a) is a member of the Board of Directors, (b) has ultimate responsibility for implementing the decisions of the Board, for supervising the management, administration, or operation of the Corporation, or for managing the finances of the Corporation (for example, the president, executive director or treasurer), or (c) has substantial influence over the affairs of the Corporation under the facts and circumstances.

An interested person's "family" includes the person's spouse; brothers or sisters (by whole or half blood); spouses of brothers or sisters (by whole or half blood); ancestors; children; grandchildren; great grandchildren; and spouses of children, grandchildren, and great grandchildren. An adopted child of an interested person is treated as a child of that person by blood.

### **ARTICLE III**

#### **PROCEDURES**

Section 3.1 Governing Body. The Corporation's authorized body to review actual or possible conflicts of interest shall be the Board of Directors or a committee of the board (composed solely of directors). The members of the board or committee, as the case may be, shall not have any conflict of interest with the transaction or arrangement at issue.

Section 3.2 Duty to Disclose Possible Conflict. In connection with any actual or possible conflict of interest, directors, officers and staff covered by this policy must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Board of Directors or members of a committee with board-delegated powers considering the proposed transaction or arrangement.

Section 3.3 Procedure. After disclosure of the interest or becoming aware of the material facts, the Board or committee members, without the presence of any interested person, shall decide if a conflict of interest exists. If a conflict of interest exists, the transaction shall be addressed as follows:

(1) The interested person, if any, may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement so that the Board or committee has information sufficient to determine the reasonableness or fairness of the transaction or arrangement.

(2) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person that would not give rise to a conflict of interest.

(3) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable, and make a decision as to whether to enter into the transaction or arrangement.

(4) By the Members: A conflict of interest transaction may be authorized, approved or ratified by the members entitled to be counted under Hawaii Revised Statutes 414D-150, in view of the determinations of the Board or committee of the board as described in Section 3.3.

## ARTICLE IV

### RECORD OF PROCEEDINGS

The minutes of the governing Board or committee shall contain the following:

(1) In determining whether a conflict of interest exists: The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, the names of the persons present for discussions and votes relating to the transaction or arrangement, any action taken to determine whether a conflict of interest was present, and the governing Board's or committee's decision as to whether a conflict of interest in fact exists.

(2) In addressing the conflict of interest: (a) 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, the comparability data obtained, how it was obtained, and what data was relied upon; and a record of any votes taken in connection with the proceedings and those who approved; (b) the terms of the approved transaction and date it was approved; and (c) any action taken with respect to consideration of the transaction by anyone who is otherwise a member of the authorized body but who had a conflict of interest with respect to the transaction.

Such documentation must be prepared before the later of the next meeting of the authorized body or 60 days after the final action or actions of the authorized body are taken. The authorized body must review and approve the record as being reasonable, accurate and complete within a reasonable time thereafter.

## ARTICLE V

### COMPENSATION

A voting member of the Board who receives compensation from the Corporation and a voting member of any committee whose jurisdiction includes compensation matters and who receives compensation from the Corporation are precluded from voting on matters pertaining to that member's compensation. However, no voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation from the Corporation is prohibited from providing information to any committee regarding compensation.

## **ARTICLE VI**

### **ANNUAL STATEMENTS**

Each director, officer and member of a committee with board-delegated powers shall annually sign a statement, which affirms such person has received a copy of this conflict of interest policy, has read and understands the policy, agrees to comply with the policy, and understands that the Corporation is charitable and in order to maintain its federal tax exemption must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

## **ARTICLE VII**

### **PERIODIC REVIEWS**

To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(1) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

(2) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **ARTICLE VIII**

### **USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

**CERTIFICATION**

I hereby certify that I am an authorized officer of the Corporation and that the Board of Directors adopted this policy on December 10, 2016, and the policy is currently effective. This policy supercedes the conflict of interest policy approved, effective on December 13, 2014.

Date: 12/20/16

  
Authorized Officer (signature and office held)

[The foregoing policy has been adapted from the IRS sample policy (Form 1023 Instr., Rev. June 2006) and incorporates state and federal laws.]

(20160915)

# CONFLICT OF INTEREST POLICY

## HAWAII EDUCATION ASSOCIATION (HEA)

(A Hawaii nonprofit corporation)

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### ARTICLE I

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An interested person's "family" includes the person's spouse; brothers or sisters (by whole or half blood); spouses of brothers or sisters (by whole or half blood); ancestors; children; grandchildren; great grandchildren; and spouses of children, grandchildren, and great grandchildren. An adopted child of an interested person is treated as a child of that person by blood.

### ARTICLE III

#### PROCEDURES

Section 3.1 Governing Body. The Corporation's authorized body to review actual or possible conflicts of interest shall be the Board of Directors or a committee of the board (composed solely of directors). The members of the board or committee, as the case may be, shall not have any conflict of interest with the transaction or arrangement at issue.

Section 3.2 Duty to Disclose Possible Conflict. In connection with any actual or possible conflict of interest, directors, officers and staff covered by this policy must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Board of Directors or members of a committee with board-delegated powers considering the proposed transaction or arrangement.

Section 3.3 Procedure. After disclosure of the interest or becoming aware of the material facts, the Board or committee members, without the presence of any interested person, shall decide if a conflict of interest exists. If a conflict of interest exists, the transaction shall be addressed as follows:

(1) The interested person, if any, may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement so that the Board or committee has information sufficient to determine the reasonableness or fairness of the transaction or arrangement.

(2) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person that would not give rise to a conflict of interest.

(3) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable, and make a decision as to whether to enter into the transaction or arrangement.



(4) By the Members: A conflict of interest transaction may be authorized, approved or ratified by the members entitled to be counted under Hawaii Revised Statutes 414D-150, in view of the determinations of the Board or committee of the board as described in Section 3.3.

## ARTICLE IV

### RECORD OF PROCEEDINGS

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(2) In addressing the conflict of interest: (a) 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, the comparability data obtained, how it was obtained, and what data was relied upon; and a record of any votes taken in connection with the proceedings and those who approved; (b) the terms of the approved transaction and date it was approved; and (c) any action taken with respect to consideration of the transaction by anyone who is otherwise a member of the authorized body but who had a conflict of interest with respect to the transaction.

Such documentation must be prepared before the later of the next meeting of the authorized body or 60 days after the final action or actions of the authorized body are taken. The authorized body must review and approve the record as being reasonable, accurate and complete within a reasonable time thereafter.

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### COMPENSATION

A voting member of the Board who receives compensation from the Corporation and a voting member of any committee whose jurisdiction includes compensation matters and who receives compensation from the Corporation are precluded from voting on matters pertaining to that member's compensation. However, no voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation from the Corporation is prohibited from providing information to any committee regarding compensation.

## **ARTICLE VI**

### **ANNUAL STATEMENTS**

Each director, officer and member of a committee with board-delegated powers shall annually sign a statement, which affirms such person has received a copy of this conflict of interest policy, has read and understands the policy, agrees to comply with the policy, and understands that the Corporation is charitable and in order to maintain its federal tax exemption must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

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## **ARTICLE VIII**

### **USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

**CERTIFICATION**

I hereby certify that I am an authorized officer of the Corporation and that the Board of Directors adopted this policy on December 10, 2016, and the policy is currently effective. This policy supercedes the conflict of interest policy approved, effective on December 13, 2014.

Date: 12/20/16

  
Authorized Officer (signature and office held)

[The foregoing policy has been adapted from the IRS sample policy (Form 1023 Instr., Rev. June 2006) and incorporates state and federal laws.]

(20160915)

# HAWAII EDUCATION ASSOCIATION

## CONFLICT OF INTEREST POLICY

(Effective 12/13/14)

### ARTICLE I - Purpose

The purpose of the conflict of interest policy is to protect the interests of the Hawaii Education Association (the Organization) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director of the Organization. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### ARTICLE II - Definitions

1. **Interested Person** - Any person who has a direct or indirect financial interest as defined below, is an interest person.
2. **Financial Interest** - A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
  - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
  - 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 not insubstantial.

A financial interest is not necessarily a conflict of interest. Under ARTICLE III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Directors (the Board) decides that a conflict of interest exists.

### ARTICLE III - Procedures

1. **Duty to Disclose** - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists** - After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors shall decide if a conflict of interest exists.

3. **Procedures for Addressing Conflict of Interest**

- a. An interested person may make a presentation to the directors at the meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board or of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the directors shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement for a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the directors shall determine by majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make a decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflict of Interest Policy**

- a. If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interests, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **ARTICLE IV - Record of Proceedings**

The minutes of the Board and committee meetings shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's 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 with the proceedings.

#### **ARTICLE V - Compensation**

1. No director shall receive compensation, directly or indirectly, from the Organization for services as a director.
2. No director is prohibited from providing information regarding compensation.

#### **ARTICLE VI - Annual Statements**

Each director shall sign a statement which affirms such person:

1. has received a copy of the Conflicts of Interest Policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands the Organization is tax-exempt, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**ACKNOWLEDGEMENT**

I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THE HAWAII EDUCATION ASSOCIATION CONFLICT OF INTEREST POLICY. I UNDERSTAND AND AGREE THAT IT IS MY RESPONSIBILITY TO READ, LEARN, AND COMPLY WITH THE PROCEDURES AND REQUIREMENTS CONTAINED IN THIS POLICY.

DIRECTORS (Signature)

DATE

Aime Matukawa

13 Dec. 2014

Ronald K Toma

13 December 2014

Justin Wang

13 December 2014

Sarah Moriyama

13 Dec 2014

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13 Dec 2014

Mitsugi Takahashi

13 Dec. 2014

Jayme Joon

13 Dec. 2014

Gail A. Lamarche

13 Dec. 2014

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