

**Jewish Community Council of Greater Coney Island**  
**Conflict of Interest and Related Party Transaction Policy**  
*Revised to comply with the Nonprofit Revitalization Act of 2013*  
*(as amended in December, 2015)*

**I. PURPOSE**

All directors, officers and staff owe a duty of loyalty to Jewish Community Council of Greater Coney Island (the “Organization”) and must act in good faith and in the Organization’s best interests, rather than in their own interests or the interests of another entity or person, and must comply with applicable legal requirements.

A conflict of interest may arise when a person has an existing or potential financial interest or other material interest that impairs, or might appear to impair his or her independence or objectivity in the discharge of his or her responsibilities and duties to the Organization.

Conflicts of interest and Related Party Transactions (as defined below) are not inherently illegal or impermissible, nor are they a reflection upon the integrity of the person involved. The manner in which the person with a potential or actual conflict of interest or Related Party Transaction and the Board of Directors, officers and key employees deal with a conflict of interest will determine whether they have fulfilled their duties to the Organization.

The purpose of this Conflict of Interest and Related Party Transaction Policy (this “Policy”) is to set forth procedures for disclosing, monitoring, reporting, reviewing, and deciding whether the transaction, agreement or other arrangement involving a potential or actual conflict of interest or Related Party Transaction is fair, reasonable and in the best interests of the Organization.

**II. DEFINITIONS**

1. A “Related Party” is:

- (a) a director of the Organization;
- (b) an officer of the Organization;
- (c) a “key employee” (as defined below) of the Organization;
- (d) a “Relative” (as defined below) of any director, officer or key employee of the Organization;
- (e) an entity of which a director, officer, or key employee of the Organization or a Relative of any such persons is a director, trustee, officer, or key employee or has managerial control;
- (f) any entity in which any of the foregoing persons has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%; or
- (g) any other person who exercises the powers of directors, officers, or key employees over the affairs of the corporation or any affiliate of the corporation.

2. A “key employee” is a person who is, or at any time during the preceding 5-year period was, in a position to exercise substantial influence over the Organization, whether or not legally an employee, and may include, without limitation, a person who: (i) founded the Organization, (ii) is a “substantial contributor to the Organization” (as defined below), (iii) has authority to control a substantial portion of the Organization’s capital expenditures, operating budget or employee compensation, (iv) manages a discrete segment or activity of the Organization that represents a substantial portion of the activities, assets, income or expenses of the Organization (as compared to the Organization as a whole); (v) receives compensation primarily based on revenues derived from the Organization’s activities; or (vi) is highly-compensated by the Organization (for example, receiving annual compensation greater than \$150,000).
3. A “Relative” is a (i) spouse, domestic partner (as defined below), ancestor (parent, grandparent, great-grandparent, including step-parent, step-grandparent, step-great-grandparent) (whether natural or adopted), child (whether natural or adopted), step-child (whether whole- or half-blood, whether natural or adopted), grandchild (whether whole- or half-blood, whether natural or adopted), step-grandchild (whether whole- or half-blood, whether natural or adopted), great-grandchild (whether whole- or half-blood, whether natural or adopted), step-great-grandchild (whether whole- or half-blood, whether natural or adopted), sibling (whether whole- or half-blood, whether natural or adopted), step-sibling (whether whole- or half-blood, whether natural or adopted), cousin, other relative, person living in the same household, (ii) spouse or domestic partner of any of the foregoing persons, (iii) in-laws and (iv) any of the foregoing by marriage.
4. A “domestic partner” means a person who, with respect to another person: (i) is formally in a domestic partnership or similar relationship pursuant to any federal, state or local law or law of a foreign jurisdiction or registered as the domestic partner of the other person under any employer registry or registry of any state, municipality or foreign jurisdiction; (ii) is formally recognized as a beneficiary under the other person’s employment benefits or health insurance, or under whose employment benefits or health insurance the other person is recognized as a beneficiary; or (iii) is dependent or mutually interdependent on the other person for support or upon whom the other person is dependent or mutually interdependent for support as evidenced by the totality of the circumstances indicating a mutual intent to be domestic partners.
5. A “Related Party Transaction” is any transaction, agreement or other arrangement in which a Related Party has a financial or other interest.
6. An “excess benefit transaction” is a transaction with the Organization in which a director, officer or key employee receives an economic benefit that exceeds the value of the services, property or payment the Organization receives in return.
7. A “substantial contributor to the Organization” means a person who contributed or bequeathed an aggregate amount of more than \$5,000 to the Organization, if such amount is more than 2 percent of the total contributions and bequests received by the Organization before the close of the taxable year of the Organization in which the contribution or bequest is received by the Organization from such person, taking into account only contributions received by the Organization during its current taxable year and the four preceding taxable years.

### **III. CONFLICTS OF INTEREST**

A conflict of interest may arise whenever the interests of the Organization come into conflict with a financial, personal or other interest of a Related Party or whenever a Related Party's financial, personal, or other interest could be reasonably viewed as affecting his or her objectivity or independence in fulfilling his or her duties to the Organization.

While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a potential or actual conflict of interest typically arises whenever a Related Party has, directly or indirectly:

1. a direct or indirect interest (financial or otherwise) in a transaction, agreement or any other arrangement and in which the Organization participates;
2. a compensation arrangement or other interest in a transaction with the Organization;
3. a compensation arrangement or other interest in or affiliation with any entity or individual: (i) that sells goods or services to, or purchases goods or services from, the Organization; (ii) that competes with the Organization; or (iii) with which or whom the Organization has, or is negotiating, or contemplating negotiating, any other transaction or arrangement;
4. the ability to use the Related Party's position, or confidential information or the assets of the Organization, to the Related Party's or any other Related Party's personal advantage or for an improper or illegal purpose;
5. solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Related Party or any other Related Party (other than gifts, entertainment and other favors of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction);
6. acquired any property or other rights in which the Organization has, or the Related Party knows or has reason to believe at the time of acquisition that the Organization is likely to have, an interest;
7. an opportunity related to the activities of the Organization that is available to the Organization or to the Related Party, unless the Board has made an informed decision that the Organization will not pursue that opportunity;
8. been indebted to the Organization, other than for amounts due for ordinary travel and expense advances; or
9. any other circumstance that may, in fact or in appearance, make it difficult for the Related Party to exercise independent, objective judgment or otherwise perform effectively.

### **IV. CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION DISCLOSURE AND QUESTIONNAIRE**

All material facts related to a potential or actual conflict of interest or Related Party Transaction with respect to an existing or proposed transaction, agreement or arrangement of the Organization or Related Party Transaction are required to be disclosed in good faith and in writing to the Audit Committee at JCCGCI, 3001 West 37<sup>th</sup> Street, Brooklyn, New York 11224-1479. Such disclosure shall include the nature of the person's or Related Party's interest and any other appropriate information about the transaction, agreement or arrangement or Related Party Transaction, and in the case of a proposed transaction, agreement, or arrangement or Related Party Transaction, any reasons why the transaction, agreement or arrangement or Related Party Transaction might or might not be fair, reasonable and in the best interests of the Organization. Disclosures with respect to proposed

transactions, agreements or arrangements or Related Party Transactions should be made in advance, before any action is taken on the matter. Conflict of interest and Related Party Transaction identification and analysis can be difficult and, therefore, a person should err on the side of caution and disclose all instances where a potential or actual conflict of interest or Related Party Transaction, or the appearance of a conflict of interest or Related Party Transaction may exist, even if the person is uncertain as to whether there is an actual conflict of interest or Related Party Transaction.

Each director, officer and key employee of the Organization, as well as nominees for election as director (prior to his or her initial election), must submit to the Chair of the Audit Committee of the Organization at least once per year (and updated as appropriate) a questionnaire substantially in the form of the Appendix to this Policy.

## **V. REVIEW AND APPROVAL**

The Audit Committee will review each potential and actual conflict of interest and Related Party Transaction and determine whether to approve and authorize, or ratify such matter. The Audit Committee may only approve the underlying matter if it determines that such matter, under the terms and within the circumstances and conditions presented, is fair, reasonable, and in the best interests of the Organization. In making its determination, the Audit Committee will consider, without limitation, all of the following:

1. alternative transactions, agreements or arrangements to the extent available;
2. the Organization's mission and resources;
3. the possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of, the Organization (even if there is no actual conflict or wrongdoing); and
4. whether the conflict of interest or Related Party Transaction may result in any private inurement, excess benefit transaction or impermissible private benefit under laws applicable to tax-exempt organizations.

The approval and authorization of any matter that is the subject of this Policy shall require the approval of at least a majority of the members of the Audit Committee present and voting at the meeting, provided a quorum is present at the time of the vote.

The person with an interest in any matter under review by the Audit Committee may make a presentation and respond to questions of the Audit Committee but must not attempt to influence improperly the deliberation or voting on such matter. After making the presentation, the person must leave the meeting and is not permitted to be present at or participate in any deliberations or voting by the Audit Committee with respect to such matter.

## **VI. VIOLATIONS OF THIS POLICY**

If the Audit Committee has reasonable cause to believe that a director, officer or key employee has failed to comply with this Policy, it may make such further investigation as may be warranted in the circumstances and if it determines that the director, officer or key employee has failed to comply with this Policy, it shall take appropriate action which may include removal of the director, officer or key employee from office or termination of employment.

In the event the Organization or a Related Party in error enters into or otherwise participates in a conflict of interest transaction, agreement or arrangement or Related Party Transaction that requires

pre-approval by the Audit Committee pursuant to this Policy, upon discovery of the error such transaction, agreement or arrangement or Related Party Transaction shall promptly be presented to the Audit Committee for its review and the Audit Committee shall consider, if appropriate, whether to (i) ratify such transaction, agreement or arrangement or Related Party Transaction, (ii) direct the rescission or modification of the transaction, agreement or transaction or Related Party Transaction (iii) take any disciplinary action, and/or (iv) make changes to the Organization's controls and procedures in connection with such error.

## **VII. RECORDS**

The minutes of the Audit Committee meeting during which a potential or actual conflict of interest or Related Party Transaction is disclosed or discussed shall be documented contemporaneously with the meeting and reflect the name or names of each interested Related Party, the nature of the potential or actual conflict of interest or Related Party Transaction, and details of the deliberations of the disinterested directors (such as documents reviewed, any alternatives considered, comparative costs or bids, market value information and other factors considered in deliberations,) and the decision as to whether a conflict of interest or Related Party Transaction in fact existed, any determination as to whether the transaction, agreement or arrangement or Related Party Transaction was fair, reasonable and in the best interests of the Organization, and if so the reasons supporting the decision, and any ongoing procedures to manage any conflict of interest or Related Party Transaction that was approved. The minutes shall also include the names of the persons present for the deliberations and the voting, the content of the deliberations and a record of any votes taken.

The interested person shall only be informed of the final decision and not of particular directors' positions or how they voted.

In addition, certain conflicts of interest and Related Party Transactions are required to be disclosed in the notes to the Organization's audited financial statements and its annual federal tax filing on Form 990.

## **VIII. COMPENSATION**

A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from participating in Board deliberations or voting on matters pertaining to that member's compensation.

A voting member of any Board committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from participating in committee deliberations or voting on matters pertaining to that member's compensation.

A voting member of the Board or any Board committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization may provide information to the Board or any Board committee regarding compensation. No member of the Board will be prohibited from deliberating or voting concerning compensation for a service on the board that is to be made available or provided to all members of the Board on the same or substantially similar terms.

## **IX. POLICY ADOPTION AND OVERSIGHT**

The Audit Committee is responsible for providing oversight of the adoption and implementation of, and compliance with this Policy. Only independent directors of the Bard are permitted to participate in any deliberations or vote on matters relating to this Policy, and the Audit Committee of the Board must be comprised solely of independent directors.

An “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, 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; (ii) has not received, and does not have a relative who has received, in any of the last three fiscal years, more than \$10,000 in direct compensation from the corporation or an affiliate (other than reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director); 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 for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of \$25,000 or 2% of such entity’s consolidated gross revenues; or (iv) is not and does not have a relative who is a current owner, whether wholly or partially, director, officer or employee of the corporation’s outside auditor or who has worked on the corporation’s audit at any time during the past three years. For purposes of this subdivision, “payment” does not include charitable contributions, dues or fees paid to the corporation for services which the corporation performs as part of its nonprofit purposes, provided that such services are available to individual members of the public on the same terms.

*This Conflict of Interest and Related Party Transaction Policy was adopted by the Board of Directors of Jewish Community Council of Greater Coney Island on*

\_\_\_\_\_.

**Jewish Community Council of Greater Coney Island, Inc.**  
**Questionnaire Concerning Conflicts of Interest and Related Party Transactions**

**Part A: To be Completed Annually by Directors, Director Nominees, Officers and Key Employees**

Please identify, to the best of your knowledge, any and all entities of which you are, or any “Relative” of yours (as defined in the Conflict of Interest and Related Party Transaction Policy) is, an officer, director, director, member, owner (either as a sole proprietor or a partner), or employee and with which Jewish Community Council of Greater Coney Island, Inc. (“the Corporation”) has a relationship:

---

---

---

1. Please identify, to the best of your knowledge, any and all transactions in which the Corporation is a participant and in which you have or might have, or a Relative of yours has or might have a financial or personal interest:

---

---

---

2. Do you have or have you had, or does any Relative of yours have or has had, or do you know of any other “Related Party” (as defined in the Conflict of Interest and Related Party Transaction Policy) that has or has had, any of the following? (Other than matters already fully disclosed, evaluated and resolved):

- |    |   |                                 |                                |
|----|---|---------------------------------|--------------------------------|
| a. | direct or indirect interest (financial or otherwise) in a transaction, agreement or any other arrangement and in which the Corporation (as defined in the Conflict of Interest and Related Party Transaction Policy) participates?  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| b. | a compensation arrangement or other interest in a transaction, agreement or arrangement with the Corporation?   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| c. | a compensation arrangement or other interest in or affiliation with any entity or individual: (i) that sells goods or services to, or purchases goods or services from, the Corporation; (ii) that competes with the Corporation; or (iii) with which or whom the Corporation has, or is negotiating, or is contemplating negotiating, any other transaction, agreement or arrangement? | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| d. | an opportunity related to the activities of the Corporation that is available to the Corporation or to you (him, her or another Related Party), unless the Board has made an informed decision that the Corporation will not pursue that opportunity?   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| e. | indebtedness to the Corporation, other than for amounts due for ordinary travel and expense advances?   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |

3. Have you, or any Relative of yours, or do you know of any other Related Party that has (other than matters already fully disclosed, evaluated and resolved):
- |  |                                 |                                |
|--|---------------------------------|--------------------------------|
| a. used your (his, her or another Related Party's) position, or confidential information or the assets of the Corporation to your (his, her or another Related Party's) personal advantage or for an improper or illegal purpose?  | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| b. solicited or accepted any gift, entertainment, or other favor where such gift, entertainment, or favor might create the appearance of influence on you (him, her or another Related Party,) (other than gifts, entertainment, and other favors of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction)? | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| c. acquired any property or other rights in which the Corporation has, or you know (or he, she or another Related Party knows,) or you have reason to believe, (or he, she or another Related Party has reason to believe,) at the time of acquisition that the Corporation is likely to have an interest?   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
3. Are there any other circumstances that may, in fact or in appearance, make it difficult for you, any Relative of yours or any other Related Party to exercise independent, objective judgment or otherwise perform effectively?
- |                                 |                                |
|---------------------------------|--------------------------------|
| Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
|---------------------------------|--------------------------------|

If yes to any of questions 3, 4, or 5, please describe the relevant facts (attach a separate sheet if necessary):

---



---



---



---



---



---



---



---



---



---





The answers to the foregoing questions are stated to the best of my knowledge and belief.

I also acknowledge that I have received a copy of, read and understood the **Conflict of Interest and Related Party Transaction Policy** and **Whistleblower Policy** of the Corporation and agree that I have adhered and will continue to adhere to such policies.

Additionally, I understand that in order to maintain its federal tax exemption the Corporation must engage primarily in activities that accomplish one or more of its tax exempt purposes.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_