CONFLICT OF INTEREST POLICY AND ANNUAL DISCLOSURE STATEMENT

SUMMER HILL CITIZENS' COMMITTEE (SHCC)

(Effective January 1, 2006 / Revised September 2026)

ARTICLE I – PURPOSE

The purpose of this Conflict of Interest Policy is to protect the tax-exempt status and legal interests of the Summer Hill Citizens' Committee (SHCC) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer, Board Director, Committee Member, or key employee of the organization, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable Pennsylvania state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II – DEFINITIONS

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1. Interested Person: Any Director, Officer, member of a committee with governing board-delegated powers, or key manager who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the SHCC has a transaction or arrangement;
- A compensation arrangement with the SHCC or with any entity or individual with which the SHCC has a transaction or arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the SHCC 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 Executive Board or designated committee decides that a conflict of interest exists.

ARTICLE III – PROCEDURES

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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 Executive Board or 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, the interested person shall leave the Executive Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest:

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

4. Violations of the Conflict of Interest Policy:

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

ARTICLE IV – RECORDS OF PROCEEDINGS

The minutes of the Executive Board and all committees with board-delegated powers shall

contain:

- 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 Executive Board's decision as to whether a conflict of interest in fact existed.
- 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 – ANNUAL STATEMENTS

Each Director, Officer, and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person:

- Has received a copy of the Conflict of Interest Policy;
- Has read and understands the policy;
- Has agreed to comply with the policy; and
- Understands the SHCC is charitable and educational in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VI – PERIODIC REVIEWS

To ensure the SHCC 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 reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to the SHCC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

ANNUAL CONFLICT OF INTEREST DISCLOSURE

STATEMENT

SUMMER HILL CITIZENS' COMMITTEE (SHCC)

To be completed annually by all Officers, Directors, and Committee Members

I have read and understand the Conflict of Interest Policy of the Summer Hill Citizens' Committee (SHCC) set forth above. I agree to comply fully with its terms and conditions. I understand that to maintain tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, the SHCC must engage primarily in activities that accomplish its exempt purposes.

Please initial one of the following statements:

____ **NO CONFLICT:** To the best of my knowledge, neither I nor any member of my immediate family has any financial interest, affiliation, or position that presents an actual or potential conflict of interest with the SHCC under this policy.

____ **POTENTIAL CONFLICT DISCLOSURE:** I hereby disclose the following actual or potential conflicts of interest (please list any businesses, organizations, employment, or family connections that do or could conduct business with or receive grants/services from the SHCC):

Entity / Business Name	Nature of Relationship / Position	Description of Potential Conflict

I agree to report promptly to the President or Executive Board any new potential conflict of interest that arises during my term as an Officer, Director, or Committee Member.

Printed Name: _____

Date: _____

Title / Position: _____

Signature: _____