

# AMERSA Conflict of Interest Policy and Procedures

## **Policy**

It is the policy of AMERSA to ensure open and honest deliberation affecting all aspects of the operations, ensure good decision-making, avoid legal problems, foster public confidence in the integrity of the organization, and protect the organization's interest when contemplating entering a transaction or arrangement that might benefit the private interest of a director, employee, or independent contractor. This policy addresses the procedures for identifying, disclosing, and handling conflict-of-interest situations.

## **Rationale**

As a not-for profit organization, it is incumbent on AMERSA to ensure that real and potential conflicts of interest are disclosed and managed. The conflict of interest policy helps mitigate risk to AMERSA's tax exempt status, financial health, operations, reputation and vision and mission.

## **Definitions**

*Interest:* Any material financial interest, whether through commitment, investment, relationship, obligation, involvement or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the organization, a sale, loan, or exchange transaction with the organization.

*Financial interest:* A persons has a financial interest if they have directly or indirectly through business, investment or family (1) ownership or investment interest in any entity with which the organization has a transaction or arrangement; (2) compensation arrangement (direct and indirect remuneration, gifts or favors that are not insubstantial) with the organization or with any entity with which the organization has a transaction or arrangement; or (3) a potential ownership or investment interest in, or compensation arrangement with, any entity with which the organization is negotiating a transaction or arrangement.

*Conflict of interest:* An actual or potential conflict of interest occurs when a board member or employee is in a position to influence a decision that may result in personal gain or gain for a relative as a result of the organization's business dealings.

*Disclosure:* Documentation of affiliations with other entities, including relational and financial interests, that might potentially affect the individual's independent decision making. Information from the disclosure form is critical for completing the organization's IRS 990 Form.

*Recusal:* Those with a conflict of interest should abstain from decisions where such a conflict exists. To minimize any conflict, the individual should not participate in any way in the decision and should not vote on the decision.

## **Procedures**

### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, individual board members and employees must disclose the existence of such interest in writing (See Conflict-of Interest Disclosure Statement) to the President and Executive Director of AMERSA. In the course of conducting business, should an individual have a non-documented actual or potential conflict, they will disclose it during the course of business, prior to engaging in further discussion about the transaction or arrangement and determination of whether a conflict of interest exists will be made.

**2. Determining whether a conflict of interest exists.**

- (a) The board of directors will decide if a conflict of interest exists based on review of the disclosure of the financial interest and all material facts, and after the interested person has made a presentation regarding the possible conflict of interest, following which they will leave the meeting.
- (b) The directors shall discuss and vote on the possible conflict of interest, requiring a majority vote. The individual will be informed of the decision.
- (c) Individuals with a conflict of interest will be recused from discussions wherein they have a conflict of interest.

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

- (a) If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, the individual shall be informed and afforded 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 the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action, including that individual amending the disclosure statement or the board taking disciplinary action.

## ACKNOWLEDGEMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT

AMERSA follows a conflict of interest policy designed to foster public confidence in the organization’s integrity and to protect its interest when contemplating entering a transaction or arrangement that might benefit the private interest of a director, a corporate officer, any key employees, independent contractors or other interested persons.

AMERSA is required annually to file Form 990 with the Internal Revenue Service, and that filed form is available to the public. Information on the Disclosure Statement is used to complete Form 990.

A “conflict of interest,” for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

By my signature below, I acknowledge that I have received a copy of the conflict of interest policy of AMERSA, have read and understood it, and agree to comply with its terms. I agree to report to the Executive Director and President any possible conflicts (other than those stated below) that may develop before completion of the next annual statement.

I am not aware of any conflict of interest. [Sign and date below.]

**OR**

I do or may have a conflict of interest in the following area(s) as documented below. [Complete the table below. Use additional pages as needed.]

<b>Names of those presenting a potential conflict of interest</b>	
Types of interest	Description of interest that could lead to a conflict of interest
Transactions or arrangements with AMERSA	
Transactions or arrangements with other nonprofit organizations	
Substantial business or investment holdings	
Transactions or affiliations with businesses not listed above	

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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

**Board of Directors: Review and Determination**

Meeting Date:

Presiding Officer:

Action:

**Origination date: 2/20/2020**