

POLICIES

CONFLICT OF INTEREST POLICY

Purpose

Members of the NCMA Board of Directors, Chapter leadership, committee members, and volunteer leaders at the local or national level, hereafter referred to as Interested Persons, serve in a personal capacity outside the scope of their official positions. They are invited to participate in such positions because of their professionalism, expertise, and years of experience; not because of their employer or position. When Interested Persons accept invitations to participate in NCMA activities, they agree to abide by the spirit and the letter of this policy.

This Policy establishes the standards by which an Interested Person will avoid conflicts of interest or the appearance thereof when contemplating entering into a transaction or arrangement that might benefit the private interest of the Interested Person, or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal conflict of interest laws applicable to nonprofit organizations.

Definitions

NCMA Association Leaders

Members of the Board of Directors, chapter leadership, committee members and volunteer leaders at the local or national level.

Interested Person

Any Board Directors, Chapter leadership, committee members, and volunteer leaders serving in a decision making capacity with Board-delegated powers, who has a Financial Interest or Conflict of Interest, as defined below, is an Interested Person.

Disinterested Person

Any Board Director, Chapter leadership, committee member, and volunteer leader who is not serving in a decision making capacity on that particular matter, or with Board-delegated powers, or who does not have a Financial Interest or Conflict of Interest, as defined below, is a Disinterested Person.

Financial Interest - A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or family, any of the following:

- An ownership or investment interest in any entity with which NCMA has a transaction or arrangement.
- A compensation arrangement with NCMA or with any entity or individual with which NCMA has a transaction or arrangement.
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which NCMA 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 procedures, a person

who has a Financial Interest may have a Conflict of Interest only if the NCMA Board of Directors, Chapter leadership, or members of committees with Board-delegated powers considering the proposed transaction or arrangement decide that a Conflict of Interest exists.

Conflict of Interest is defined as an actual or perceived interest by Directors, Chapter leaders, committee members, or volunteer leaders in an action that results in or has the appearance of resulting in, an improper financial gain for that individual, that person's immediate family, a business associate or a business entity in which that person has a Financial Interest. Immediate family is defined as spouse, parent, legal guardian, child, sibling, in-laws, grandparents or grandchildren.

Policy

It is the policy of the Association to separate an Interested Person's Association and private interests and to safeguard the Association from Conflicts of Interest or the appearance of such Conflicts in transacting the business of the Association. It is in the interest of the Association, for Interested Persons to strengthen trust and confidence in each other, to expedite resolution of problems, to mitigate the effect and to minimize organizational and individual stress that can be caused by a Conflict of Interest.

It is the Policy of the Association that an Interested Person shall not solicit or accept, directly or indirectly, any gratuity, gift, favor, entertainment, loan, or other item of more than nominal monetary value^{11*} if they have reason to believe or it may be construed that the donor person, corporation, or group: has or is seeking to obtain contractual, business or financial relationships with the Association; has interests that may be substantially affected by the individual's performance or nonperformance of official duties; or is seeking to affect an official Association action. Any gratuity, gift, favor, entertainment, loan, or other item received of more than nominal value should be returned to the giver, or if that is impractical, turned over to the Association for a use that benefits the Association as a whole.

Directors, Chapter leaders, committee members, and volunteer leaders shall maintain a sense of fairness, civility, ethics and personal integrity even when law, regulation or custom does not require it. It is the policy of NCMA that Interested Persons will recuse themselves from any matter where they have a Financial Interest.

Interested Persons shall exercise the utmost discretion regarding all matters of official business of the Association. Additionally, they must assume the highest degree of confidentiality and integrity in the best interest of the Association's business as well as refraining from any action and any public pronouncement that might reflect adversely upon the Association.

Procedures

In the event of an actual or apparent Conflict of Interest, the Interested Person with the actual or apparent Conflict shall follow the procedures below.

*Nominal monetary value is not a precisely defined term. Many ethics policies use a specific dollar amount, such as \$25. Another way to think about nominal value is whether the gift could be perceived as potentially influencing a decision or action of the recipient.

Duty to Disclose

In connection with any actual or possible Conflict of Interest, an Interested Person must disclose the existence of the Financial Interest or actual or potential Conflict of Interest to an appropriate NCMA official at the Chapter or National Level who is engaged in considering the proposed transaction or arrangement. The Interested Person may then recuse him/her self from the particular matter; or seek written agreement from the appropriate Leader, to continue with the transaction having disclosed all material facts of the matter.

Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest or actual or potential Conflict of Interest and all material facts, and after any discussion with the Interested Person, the Director, Chapter leader, or committee member shall leave the meeting. The Chapter President is the delegated decision official role for matters involving Chapter funds, and/or matters involving committees chartered by the Chapter by the Chapter President. The NCMA President is the decision official for matters involving National funds, and/or matters involving the NCMA Board of Directors or committees chartered by the national Board. The NCMA Executive Director handles all staff matters. The NCMA Executive Director or President may engage in any decision. Should any of the above-named individuals be involved with the potential Conflict of Interest, a different leader (Disinterested Person) shall be named to address that specific issue.

Procedures for Addressing the Conflict of Interest

- An Interested Person may make a presentation to the NCMA President of the Board of Directors, or Chapter President, but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest.
- The Chapter President or President of NCMA's Board of Directors or committee shall, if appropriate, appoint a Disinterested Person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the Chapter President or President of the NCMA Board of Directors, shall determine whether NCMA 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 different transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Chapter or NCMA Board of Directors shall determine by a majority vote of the disinterested Directors, or Chapter leaders whether the transaction or arrangement is in NCMA'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 or not to enter into the transaction or arrangement.

Violations of the Conflicts of Interest Policy

- If the NCMA or Chapter Board of Directors, or Executive Director has reasonable cause to believe a Director, Chapter leader, or committee member has failed to disclose actual or possible Conflicts of Interest, it shall inform the Executive Director, or Chapter leader, of the basis for such belief and afford the Director, Chapter leader, or committee member an opportunity to explain the alleged failure to disclose.

- If, after hearing the explanation of the alleged failure to disclose and after making further investigation as warranted by the circumstances, the Board of Directors determines that the Director, Chapter leader, or committee member has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.
- If a Director, Chapter leader, committee member, or volunteer leader has continuous Conflicts of Interest rendering him or her ineffective in conducting the business of the Association, the President shall act within the authority of the By-laws to remove and replace that individual.

Application of the COI Policy

Questions regarding the application of this policy or its intent may be addressed to the NCMA Executive Director who will consult as appropriate with the NCMA General Counsel, and NCMA President.

Records of Proceedings

The minutes of the Chapter or NCMA Board of Directors and all committees with Board-delegated powers shall contain the following information.

- 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 or actual or potential Conflict of Interest, any action taken to determine whether a Conflict of Interest was present, and the Board of Director's or committee'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.

Compensation

- A voting Director of the Board who receives compensation, directly or indirectly, from NCMA for services, is precluded from voting on matters pertaining to that Director's compensation.
- A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NCMA for services is precluded from voting on matters pertaining to that committee member's compensation.
- A voting Director of the Board or any committee member, whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NCMA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each Chapter and each member of the NCMA Board of Directors, and committee member of a committee with Board-delegated powers shall annually sign a statement, which affirms such person:

- Has received a copy of the Conflict of Interest policy,
- Has read and understands the policy, and

- Has agreed to comply with the policy.

Periodic Reviews

Directors, Chapter leaders, committee members, and volunteer leaders shall review this policy on an annual basis and certify by signing below that it has been read and understood. Individuals shall complete this certification upon assuming office or accepting a covered position. Recertification will occur annually thereafter, to be completed by July 31. The Executive Director shall create and maintain the certification record.

To ensure NCMA operates in a manner consistent with its purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Executive Director.

The periodic reviews shall, at a minimum, include the following subjects.

- Whether compensation arrangements and benefits are reasonable.
- Whether partnerships, joint ventures, and arrangements with management of NCMA conform to NCMA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its purposes.

Use of Outside Experts

When conducting the periodic reviews as provided for in Periodic Reviews, NCMA may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

I certify that I have read, understand, and will comply with the above stated Policy.

Signature: _____

Printed Name: _____

NCMA Title: _____

Date: _____
