



CONFLICT OF INTERESTS POLICY & DISCLOSURE FY2021

I. Introduction

This Conflict of Interest Policy ("the Policy") governs conflicts of interest involving (i) members of the Board of Governors and Board Committees of the National Society of Accountants ("the Society"), and (ii) senior staff of the Society (collectively, "Interested Persons").

Interested Persons are required to uphold the highest standards of ethical behavior. They must be free from the influence of personal or professional considerations or relationships when making decisions for or on behalf of the Society and their activities must complement and support the best interests of the Society. Interested Persons must fully disclose to the Society's Executive Committee or CEO any circumstance, interest, investment or affiliation which is or might be construed as a real or perceived conflict of interest which could affect their decision-making responsibilities concerning the affairs of the Society.

EXPECTATIONS OF INTERESTED PERSONS

Accordingly, the Society requires the following from all Interested Persons:

- The relationship between all Interested Persons and the Society is a fiduciary relationship which carries with it a strict and unbending duty of loyalty and fidelity. This duty of loyalty to the Society should take precedence over an Interested Person's relationships with other organizations, companies, associations and/or alliances of which he or she may be a member.
- It is the responsibility of all Interested Persons to administer the Society's affairs honestly and economically, exercising their best care, skill and judgment for the benefit of the Society.
- It is the responsibility of all Interested Persons to make full disclosure of any interest which might or does result in a conflict between such Interested Persons and the Society.
- Interested Persons must exercise the utmost good faith in all transactions and decisions relating to the Society and its property. In their dealings with and on behalf of the Society, Interested Persons will be held to a strict rule of honest and fair dealing between

themselves and the Society. They will not use their positions, or knowledge gained from their positions, so that a conflict might arise between the Society's interest and that of the Interested Person.

- No Interested Person will accept any favor which might influence, or reasonably could be seen to influence, his or her actions affecting the Society or its members.
- After becoming subject to this policy, Interested Persons will promptly disclose any employment, activity, investment, or other interest which might involve obligations that may compete with or be in conflict with the interest of the Society. Interested Persons' disclosure obligations shall continue for as long as they are acting in the role of a Board member, Committee member, or senior staff member.
- All Interested Persons shall immediately make full disclosure to the Society's CEO of all facts of any transactions or circumstances which are subject to any doubt concerning the possible existence of a conflict of interest.

II. Definition of a Conflict of interest

A conflict of interest may occur when an Interested Person or their family member: (i) has a direct or indirect financial interest (by way of ownership, employment, consulting or otherwise) in an entity; or (ii) serves as a director, owner, partner, trustee, officer, volunteer or in any other capacity with any organization, business or other entity that: (a) does business or might do business with the Society; (b) has a mission similar to that of the Society; or (c) competes directly or indirectly with the Society. Conflicts of interest may arise under numerous scenarios, including but not limited to the following:

- An Interested Person receiving or being considered to receive, directly or indirectly, compensation (e.g., salary, consulting fees, speaking or writing honoraria, etc.) from, or having an actual or potential ownership or investment interest in, an entity offering or proposing to offer products or services to the Society;
- An Interested Person doing business or having a relationship with any entity doing business or wishing to do business with the Society; and
- An Interested Person also serving as an officer, director, employee or owner of another nonprofit organization or of a for-profit entity competing with the Society in the industry or profession served by the Society.

For purposes hereof, "family member" shall mean spouse, domestic partner, parent, mother-in-law, father-in-law, child, spouse of child, brother, sister or spouse of a brother or sister. Interests held by a family member shall apply to the extent such interests are known to the Interested Person.

For purposes hereof, "financial interest" means any financial interest, including all forms of compensation, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person's judgment with respect to decision-making on behalf of the Society. A material financial interest would include, but not be limited to, the following:

- A financial ownership, partnership or substantial investment (equity or debt) interest in an entity of 5 percent or more (not minor shareholding in publicly traded corporations);
- A financial ownership, partnership or substantial investment (equity or debt) interest which contributes to an Interested Person's income in a material way;
- A significant honoraria or consulting fees; or
- A position as proprietor, director, managing partner or key employee.

III. Disclosure

Interested Persons must disclose all conflicts of interest as defined in Section II above, including those that might influence or be perceived to influence the actions or decisions of the Interested Person. Therefore, even if one believes that the relationship or other circumstance will not affect one's judgment or conduct, if it could do so or could reasonably be perceived as having the potential for improper influence, then the conflict must be disclosed. This duty of disclosure extends to bids on or proposals for work solicited by or offered to the Society. Each Interested Person shall complete a Conflict of Interest Disclosure Form annually; such annual disclosures shall be supplemented by additional written disclosures as required by this Policy.

Disclosures of potential conflicts of interest by Society volunteers and the Chief Executive Officer (CEO) of the Society shall be made immediately to the Society's Executive Committee. Disclosures by other senior Society staff shall be made immediately to the CEO of the Society, who shall consult with the Executive Committee on the matter, if necessary and appropriate.

All Interested Persons shall bring to the attention of the Society any actual or perceived conflict of interest involving any other Interested Person that they may be aware of.

IV. Procedure Upon a Disclosure

Upon making a disclosure of a possible conflict of interest, the Interested Person must make all requested information available to the Society's Executive Committee or the CEO, as applicable.

Possible actions that may be taken by the body or person reviewing the conflict of interest include, but are not limited to:

- Prohibiting consideration of a proposal for providing products or services;

- Permitting consideration of a proposal for providing products or services, but only as one of several competing proposals;
- Determining, after exercising due diligence, whether the proposal related to the Interested Person is the most advantageous transaction or arrangement for the Society and, if so, whether it is fair and reasonable and in the best interest of the Society;
- Requesting all necessary actions to eliminate the conflict of interest;
- Determining that the Interested Person may not participate in discussion or determination of the matter to which the conflict of interest relates; and
- Requesting the resignation of the Interested Person from the position with the Society.

V. Disclosure to the Society's Executive Committee

Upon receiving a disclosure of a possible conflict of interest concerning a Society officer, Board member, Committee member or the CEO, the Society's Executive Committee shall consider appropriate action and decide whether a hearing is warranted. If a hearing is warranted, the Executive Committee shall provide for the due process rights of such person. If a vote is taken and the Interested Person is a member of the Executive Committee, that person must recuse and abstain himself or herself from the vote. The Executive Committee may decide that the full Board of Governors should review and take action on the conflict. Such Society officer, Board member, Committee member or CEO may also appeal the decision of the Executive Committee to the Board of Governors.

VI. Disclosure to the Society's CEO

Upon receiving a disclosure of a possible conflict of interest concerning a senior staff member, the CEO shall consider appropriate action, and may consult with the Executive Committee. Actions taken by the CEO concerning Society staff members shall be final. If the CEO has reasonable cause to believe that such person has failed to make a disclosure required by this Policy, the senior staff member shall be informed of the basis for such belief and shall be afforded an opportunity to explain the alleged failure to disclose. If, after hearing the senior staff member's response and making any further investigation warranted by the circumstances, the CEO determines that such person has failed to disclose an actual or potential conflict of interest, appropriate disciplinary and corrective action may be taken, up to and including termination of employment.

VII. Review or Appeal to the Board of Governors

Upon an appeal of by a Society officer, Board member, Committee member or the CEO, or the referral of this matter to the Board by the Executive Committee, a Society officer, Board member, Committee member or the CEO may make a presentation to the Board at a Board meeting. After such presentation, the Interested Person shall leave the Board meeting in order

for the remainder of the Board to consider, discuss and vote on whether a Conflict of Interest exists and the appropriate action related thereto.

VIII. Proscribed Activity by Persons having a Conflict of Interest

Any Society officer, Board member, Committee member or the CEO that has a Conflict of Interest that is not waived by the Board shall abstain from taking any action in connection with matter, decision, transaction or arrangement that is the subject of the Conflict of Interest, including without limitation, participating in discussions, making motions, voting, executing agreements, or taking any other similar direct or indirect action on behalf of the Society.

IX. Confidentiality

Except to the extent that disclosure to members of the Executive Committee, the Board of Governors and the CEO is found to be necessary, all persons receiving a communication from a member or staff member pursuant to this Policy shall maintain the confidentiality of the contents of the disclosure, as well as any conclusions made as to whether there is a conflict of interest.

X. Violations of This Policy

If the Board of Governors has reasonable cause to believe that a Board member, officer or Committee member or the CEO has failed to make a disclosure required by this Policy, such person shall be informed of the basis for such belief and shall be afforded an opportunity to explain the alleged failure to disclose. If, after hearing such person's response and making any further investigation warranted by the circumstances, the Board of Governors determines that the Board member, officer or Committee member, or CEO has failed to disclose an actual or potential conflict of interest, appropriate disciplinary and corrective action, up to and including removal from a Society office and/or expulsion from the Society, shall be taken.

XI. Records of Proceedings

Minutes of meetings of the Executive Committee and Board of Governors at which matters involving an actual or alleged conflict of interest under this Policy were discussed shall contain:

- The names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict, any action taken to determine whether a conflict of interest was present, and the Committee or Board's decision as to whether a conflict of interest in fact existed, and
- The names of the persons who were present for discussions and votes relating to the possible conflict of interest, the matters discussed, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

XII. Compensation Committees

A voting member of any Committee (or the Board of Governors), the jurisdiction of which includes compensation matters, who receives compensation, directly or indirectly, from the Society for services is precluded from voting on matters pertaining to that compensation.

The Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to the Society.



CONFLICT OF INTEREST POLICY DISCLOSURE FORM FY2021

I, the undersigned, acknowledge that, in carrying out my duties as an Interested Person under the Conflict of Interest Policy ("the Policy") adopted by the Board of Governors of the National Society of Accountants ("the Society"), I am charged with a duty of loyalty to the Society. I acknowledge my responsibility to act in the course of my duties as an Interested Person solely in the best interest of the Society, without consideration of the interests of any other person or organization, and to refrain from taking part in any decision that may be in violation of the Policy.

I shall adhere to and abide by the Expectations of Interested Persons, as set forth in the Policy.

Additionally, pursuant to the Policy, I shall disclose to the Executive Committee or the CEO any potential conflict of interest, as defined in the Policy, I may have from time to time, including but not limited to, the identification of (a) the actual or potential receipt, by me or a family member, of compensation from any organization offering or proposing to offer products or services to the Society; (b) any actual or potential ownership, investment or other beneficial interest held by me and/or by a family member in any organization offering or proposing to offer products or services to the Society; (c) any other relationship between me or a family member and any organization offering or proposing to offer products or services to the Society; or (d) my service as an officer, director, volunteer, employee of another nonprofit organization, business or other entity that competes indirectly or directly with the Society, or has a mission similar to the Society. I shall also disclose to the appropriate person any transaction with the Society which would result in any benefit to me, a family member, or any organization in which I have a financial or other interest or involvement, and I shall refrain from participation in any action on such matters, except to the extent permitted by the Policy.

The following organizations, which compensate or desire to compensate me or a family member, offer or propose to offer products or services to the Society:

Name:

Name:

Name:

I have, or a family member has, an actual or potential ownership, investment or other interest or involvement in the following organizations, which offer or propose to offer products or services to the Society:

Name:
Interest or Involvement:

Name:
Interest or Involvement:

Name:
Interest or Involvement:

I have, or a family member has, a direct or indirect interest in the following potential transactions involving the Society.

Name:
Interest or Involvement:

Name:
Interest or Involvement:

Name:
Interest or Involvement:

I serve, or a family member serves, as an officer, employee, volunteer or director of the following organizations, which have a mission similar to the Society or compete directly or indirectly with the Society:

Name:
Interest or Involvement:

Name:
Interest or Involvement:

Name:
Interest or Involvement:

Upon submission of this Disclosure Form, I will have disclosed to the best of my knowledge any potential conflict within the scope of the Policy. I assume the duty of promptly submitting a further Disclosure Form in the event of any changes in or additions to the information disclosed herein.

Name: _____

Date: _____

Signature: _____

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