



NAAP and NCCAP

Conflicts of Interest Policy

1. Reason for Statement

As non-profit organizations, both NAAP and NCCAP have a mandate to conduct all affairs in accordance with the aims and objectives of its respective mission and mandate. This includes compliance with all laws and regulations, a commitment to operate with the highest level of integrity and to avoid conflicts of interest.

Among the organization and its Board, officers and employees, there exists a fiduciary duty, which carries with it a broad and unbending duty of loyalty. The Board, officers and employees are responsible for administering the affairs of the organization honestly and prudently, and for exercising their best care, skill, and judgment for the sole benefit of the organization.

Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the organization or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority, and all purchases of goods and services must be affected on a basis that secures for the organization full competitive advantages as to product, service, and price.

2. Persons Concerned

This statement is directed to NAAP or NCCAP Board Members and officers, as well as those employees annually designated by the respective Board who influence the actions of the organization or its Board, or make commitments on their behalf.

3. Areas in Which Conflicts May Arise

Conflicts of interest may arise in the relations of NAAP or NCCAP Board Members, officers and employees with any of the following third parties:

- 3.1 Persons or entities supplying services to NAAP or NCCAP.
- 3.2 Persons or entities from which NAAP or NCCAP leases property and equipment.
- 3.3 Persons or entities with whom NAAP or NCCAP is dealing or planning to deal in connection with the gift, purchase, or sale of real estate, securities, or other property.
- 3.4 Persons or entities paying for services delivered by NAAP or NCCAP for its agents or employees.
- 3.5 Other nonprofit organizations.
- 3.6 Donors and others supporting NAAP or NCCAP.
- 3.7 Agencies, organizations, and associations that affect the operations of NAAP or NCCAP.

4. Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned in Section 3, and a Board Member, officer or employee, which might affect, or might reasonably be thought by others to affect, the judgment or conduct of a Board Member, officer or employee of the organization. Such an interest might arise through:

- 4.1 Owning stock or holding debt or other proprietary interests in any third party dealing with the organization.
- 4.2 Holding office, serving on the Board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with the organization.
- 4.3 Receiving remuneration for services with respect to individual transactions involving the organization.
- 4.4 Using the organization's personnel, equipment, supplies, or goodwill for other than organization-approved activities, programs, and purposes.
- 4.5 Receiving personal gifts or loans from third parties dealing with the organizations. (Receipt of any gift is disapproved except gifts of nominal value, which could not be refused without discourtesy. No personal gift of money should ever be accepted.)
- 4.6 Obtaining an interest in real estate, securities, or other property that the organization might consider buying or leasing.

5. Indirect Interests

As noted above, conflicting interests may be indirect. A Board Member, officer or employee will be considered to have an indirect interest in another entity or transaction if any of the following also have an interest:

- 5.1 A family member of a Board Member, officer or employee. (Family member is defined for these purposes as all persons related by blood or marriage.)
- 5.2 An estate or trust of which the Board Member, officer or employee or member of his family is a beneficiary, personal representative, or trustee.
- 5.3 A company of which a member of the family of the Board Member, officer or employee is an officer, director, or employee, or in which he has ownership or other proprietary interests.

6. Interpretation of This Statement of Policy

The areas of conflicting interest listed in Section 3 and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Board Member, officers and employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of the organization. However, it is the policy of the Board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of Board Members, officers and employees to scrutinize their transactions with outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Disclosure should be made to the President of NAAP or NCCAP as applicable (or if they are the one with the conflict, then to next highest authority of the Board), who shall bring these matters to the attention of the full Board. The Board shall then determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable as to the organization. The decisions on these matters are the sole discretion of the respective Board. The Board's first concern must be the welfare of the organization and the advancement of its purposes.

This foregoing Statement of Policy concerning Conflicts of Interest is applicable to the Board of NAAP and to the Board of NCCAP.