

# **American Association of Pesticide Safety Educators (AAPSE) Conflict of Interest Policy**

## **Article I**

### **Purpose**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (American Association of Pesticide Safety Educators, herein listed as AAPSE) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an AAPSE officer or board representative or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## **Article II**

### **Definitions**

#### **1. Interested Person**

Any officer, board representative or member of a committee with governing board delegated powers, who has a financial or non-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:

- a.** An ownership or investment interest in any entity with which the AAPSE has a transaction or arrangement,
- b.** A compensation arrangement with the AAPSE or with any entity or individual with which the AAPSE has a transaction or arrangement, or
- c.** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the AAPSE is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

#### **3. Non-Financial Interest**

A non-financial conflict of interest means an interest other than a financial interest that could directly and significantly affect the overall goals and objectives of AAPSE. Non-financial interests include such items as personal or professional relationships and staff and committee affiliations with other organizations.

A financial or non-financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial or non-financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## **Article III**

### **Procedures**

#### **1. Charge of Conflict of Interest**

If a member has a concern about an existing conflict of interest, they shall bring the concern to their regional board representative or member of the Executive Committee (EC). The regional board representative shall promptly bring this concern to the EC. Initial charges of any actual or possible conflict of interest shall not be accepted anonymously.

#### **2. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial and non-financial interest(s) and be given the opportunity to disclose all

material facts to the EC considering the proposed transaction or arrangement. Any disclosure by an interested person will be held in strict confidentiality by the EC.

### **3. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial and non-financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the EC meeting while the determination of a conflict of interest is discussed and voted upon. The remaining EC members shall decide if a conflict of interest exists.

### **4. Procedures for Addressing the Conflict of Interest**

- a.** An interested person may make a presentation at the EC meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b.** The President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the EC shall determine whether AAPSE 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.
- d.** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the EC shall determine by a majority vote of the disinterested EC members whether the transaction or arrangement is in AAPSE'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.

### **5. Violations of the Conflicts of Interest Policy**

If the EC has reasonable cause to believe a member has failed to disclose actual or possible conflicts 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 EC determines the member has failed to disclose an actual or possible conflict of interest, the EC shall take the matter before the full Board for consideration and possible resolution. The full Board shall vote on any appropriate disciplinary and corrective action taken against a member for COI.

## **Article IV Records of Proceedings**

The minutes shall contain:

- a.** The names of the persons who disclosed or otherwise were found to have a financial and/or non-financial interest in connection with an actual or possible conflict of interest, the nature of the financial or non-financial interest, and any action taken to determine whether a conflict of interest was present.
- b.** 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.
- c.** If a finding of no COI is made, then all minutes, names and other information is not made public to the membership.

**Article V**  
**Compensation**

- a.** A voting member of the governing board who receives compensation, directly or indirectly, from AAPSE for services is precluded from voting on matters pertaining to that member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AAPSE for services is precluded from voting on matters pertaining to that member's compensation.

**Article VI**  
**COI Acknowledgement Statement**

Each AAPSE officer or board representative shall upon being elected or every two years sign a statement which affirms such person:

- a.** Has received a copy of the conflicts of interest policy,
- b.** Has read and understands the policy,
- c.** Has agreed to comply with the policy, and
- d.** Understands AAPSE is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The Nominations Committee shall provide a copy of the COI Acknowledgement Statement to all nominees to the EC and the Board and inform each nominee if successfully elected they shall be required to sign the COI Acknowledgement of Statement.

**Article VII**  
**Periodic Reviews**

To ensure AAPSE operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the AAPSE financial audit, By-Laws Article 10 section 3, may at minimum, include the following subjects:

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

This policy is adopted by the AAPSE EC, effective July 30, 2018.