



# **CONFLICT OF INTEREST PROCEDURE**

Updated by IAFC Board of Directors August 2025

## **Procedures**

### **1. What is a Conflict of Interest?**

A conflict of interest may arise when a Covered Leader has some other interest that might suggest divided loyalty on the part of the Leader between obligations to IAFC on one hand, and to some other organization or cause, on the other. The “other interest” may arise from a transaction between IAFC and a third party, or a Covered Leader’s volunteer or paid relationship with a third party, which may compromise a Leader’s ability to provide unbiased and undivided loyalty to IAFC.

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

In order to proactively address any potential conflicts of interest, the IAFC requires all IAFC Covered Leaders to complete and submit an annual disclosure detailing any facts or circumstances of which he or she is aware that might constitute a conflict of interest. The IAFC further requires IAFC Covered Leaders to submit a supplemental disclosure to reflect any material changes or additions to the submitted information that may arise during the course of the year. On the Disclosure Form, the Covered Leader must list all financial transactions with the organization, whether the Covered Leader or any family member of the Covered Leader has an interest in any third parties providing goods or services to the organization, and any other (not-for-profit or for-profit) organization’s interests in which the Covered Leader or any family member of the Covered Leader is actively involved, has a significant investment, or owns at least a 1% interest. All paid or unpaid positions or relationships, other than membership, with not-for-profit or for-profit third-party organizations that compete with IAFC or may take public positions contrary to those of IAFC, also should be listed. IAFC Covered Leaders are encouraged to err on the side of disclosure and to report any set of circumstances that may appear to pose a conflict of interest, even if there is uncertainty as to whether such circumstances should be disclosed.

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

If a potential conflict is of such magnitude that it may prohibit a Leader from being on the IAFC Board of Directors, that person shall discuss the situation with the CEO/Executive Director. If

the conflict appears to be contrary to the IAFC's interest, the CEO/Executive Director will consult with the IAFC attorney and obtain an opinion as to whether the conflict is of such magnitude that the Covered Leader cannot serve on the IAFC Board of Directors. The CEO/Executive Director will then present that information to the Executive Committee for further review.

An initial determination as to whether a particular outside transaction or relationship may constitute an actual, potential or apparent conflict of interest shall be made by the Executive Committee or CEO/Executive Director, with the possible assistance of legal counsel and without the presence of the individual whose involvement in such transaction or relationship is under consideration. This determination shall be made in any circumstance in which a credible potential for a conflict of interest is identified either by an individual Covered Leader (through mandated self-disclosure) or by a third party. However, if the Executive Committee

concludes that this determination should be made by the IAFC Board of Directors, then the matter shall be referred to the appropriate board (with or without a recommendation from the Executive Committee) for its consideration, deliberation and resolution, with the assistance of legal counsel and without the presence of the individual whose involvement in such transaction or relationship is under consideration. The IAFC Board shall have final authority over the resolution of all conflict of interest matters involving the members of such Board.

If the Executive Committee believes that a particular relationship or transaction may represent an actual, potential or apparent conflict of interest, it shall first request additional information from the Covered Leader detailing the nature of the relationship or transaction.

When evaluating whether a particular transaction or relationship constitutes an actual, potential or apparent conflict of interest, the Executive Committee shall consider the following (non-exhaustive) factors:

- Abusing one's role as a Covered Leader for personal or third-party gain or pleasure (including, but not limited to, the solicitation or acceptance of gifts or other items of value or indirect inducement to provide special treatment on organization matters).
- Placing one's own self-interest, the interest of one's company, organization or another entity for which the individual serves in a leadership, employment or ownership capacity, or the interest of any third party above that of IAFC.
- Engaging in any outside business, professional or other activities that would directly or indirectly materially adversely affect IAFC.
- Providing goods or services to IAFC as a paid vendor.

If the Executive Committee determines that a particular relationship or transaction represents an actual, potential or apparent conflict of interest, it (or the IAFC Board, if the matter has been referred to the board) shall resolve such actual, potential or apparent conflict in one of the following manners:

- **Waive** the conflict of interest as unlikely to affect the IAFC Covered Leader's ability to act in the best interests of the organization;
- Determine that the individual should be **recused** from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the actual, potential or apparent conflict. This resolution should apply particularly when the transaction or relationship is one which presents a conflict only with respect to one (1) or two (2) discrete programs or activities. For example, if an individual IAFC Board member also works for a company that produces an educational program that competes with one (1) or two (2) discrete programs of IAFC, the Joint Audit Committee or relevant board may determine that the IAFC Board member should be recused from all deliberations and voting related to such program(s) (both at the outset and on an on-going basis), but that the IAFC Board member need not resign his/her seat on the IAFC Board.
- Determine that the individual is not eligible to serve the organization in any capacity as an IAFC Covered Leader, or if already serving, must **resign** from his or her service as a Covered Leader to the IAFC (subject to the terms of any pertinent employment agreement).

#### 4. Specific Procedures for Addressing Transactional Conflicts of Interest

Contracts, transactions, or arrangements of the IAFC in which an IAFC Covered Leader has a financial or other material interest shall not be prohibited, but they shall be subject to scrutiny. Any such proposed arrangement shall be reviewed to determine that it is in the best interests of the IAFC, pursuant to the following procedures:

- The IAFC Covered Leader must promptly disclose all material facts to the Board of Directors or Component Leader in accordance with this policy as to any actual or potential financial or other material interest which the IAFC Covered Leader or a member of his or her family may have in the proposed IAFC transaction.
- The Board or Component Leader shall evaluate the circumstances in light of the disclosure and determine the appropriate course of action without the presence or participation of the IAFC Covered Leader, except that the IAFC Covered Leader may be invited to present the circumstances of his or her interest in the IAFC transaction and respond to questions.
- The IAFC Board or Component Leader shall conduct appropriate due diligence in determining whether to enter the contemplated IAFC transaction, which may include soliciting proposals or applications from a broad range of other qualified candidates.
- The IAFC Board or Component Leader must determine, without counting the vote of the IAFC Covered Leader, whether the transaction is fair and in the best interest of the IAFC.
- If the IAFC Board or Component Leader approves the proposed IAFC transaction, the

IAFC Covered Leader may not participate in any process by which his or her performance as a vendor, service provider or grantee is evaluated, or in any such evaluation of a related party to the IAFC transaction.

## **5. Designated Reviewing Body or Person**

The IAFC CEO/Executive Director shall review disclosure statements of IAFC employees to determine whether a conflict of interest exists and any appropriate remedy, as necessary. The IAFC CEO/Executive Director shall inform the IAFC Executive Committee of any determinations made with regard to conflicts of interest pursuant to this policy.

A Leader of a Component (Component Leader) is a person leading a section or committee. This person will be responsible for reviewing potential conflicts that may arise during a meeting or activity of the section or committee. This person will review the specific facts and makes a determination as to how to proceed. The Component Leader may request assistance from the CEO-Executive Director, Executive Committee, or the IAFC Board.

The Executive Committee shall review disclosure statements of all other IAFC Covered Leaders, as well as disclosure statements of the IAFC CEO/Executive Director, and shall make recommendations to the IAFC Board of Directors for the board to determine whether a conflict of interest exists and any appropriate remedy, as necessary.

Notwithstanding the foregoing, the IAFC Board of Directors shall retain the ultimate authority to review and resolve conflicts of interest under this policy. The board may delegate its authority under this policy to any committee of directors or officer of the association. Only individuals who are disinterested with regard to the matters under review may participate in any such review. The Executive Committee or the CEO/Executive Director shall inform the IAFC Board of any determinations made or actions taken with regard to conflicts of interest. The board shall retain the right to modify or reverse any such determination or action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy.

## **Record of Proceedings**

All determinations or actions of the Executive Committee or CEO/Executive Director made pursuant to this policy shall be properly documented in meeting minutes or other appropriate records of the association.

## **Annual Statements**

Each IAFC Covered Leader shall annually sign a statement as set forth at Exhibit 1 to the Policy which affirms that 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;
- d. has disclosed any facts or circumstances of which he or she is aware that might constitute a conflict of interest; and
- e. understands that the IAFC is a not-for-profit, tax-exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Each IAFC Covered Leader shall submit a supplemental disclosure to reflect any material changes or additions to the submitted information that may arise during the course of the year within fifteen (15) days of any addition or change.

### **Periodic Review**

To ensure the IAFC operates in a manner consistent with not-for-profit, tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

Whether partnerships, joint ventures, and arrangements with management organizations conform to the IAFC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further not-for-profit purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

When conducting periodic reviews, the IAFC may use outside advisors, but their use shall not relieve the IAFC Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

### **Violation of this Policy**

Violations of the Policy may result in disciplinary action, up to and including removal from an IAFC Covered Leader office or position and expulsion from the IAFC.

- a. If the board, section, committee, CEO/Executive Director, reviewing body or Covered Leader has reasonable cause to believe that an IAFC Covered Leader has failed to disclose actual or possible conflicts of interest, it shall inform the IAFC Covered Leader of the basis for such belief and afford the IAFC Covered Leader an opportunity to explain the alleged failure to disclose. In the case of IAFC employees, this matter shall be addressed by the CEO/Executive Director.
- b. If after hearing the response of the IAFC Covered Leader and making such further investigation as may be warranted in the circumstances, the board, section,

committee, CEO/Executive Director (in the case of IAFC employees), or Executive Committee determines that the IAFC Covered Leader has in fact failed to disclose an actual or possible conflict of interest, it, he or she shall take appropriate disciplinary and corrective action.

**EXHIBIT 1**  
**CONFLICT OF INTEREST**  
**DISCLOSURE FORM and NONDISCLOSURE AGREEMENT**

**CONFLICT OF INTEREST DISCLOSURE FORM**

To help avoid any conflicts of interest, you are disclosing ownership or other proprietary interests, responsibilities, circumstances, or other reasons why you (or, by extension, any member of your family) might have an actual, apparent or potential conflict of interest with your duty to IAFC, both with respect to the conflicts identified in the attached policy and any others. You hereby invite further review by IAFC of any aspects of these circumstances that might be appropriate. In addition, you agree to take other steps, such as avoiding deliberation and resolution of certain issues or even withdrawing from your membership on the applicable board, if it is determined that such steps are necessary to protect the integrity of the board and avoid the breach of your fiduciary duty to IAFC. Finally, during such time as you continue to serve on the applicable board, you agree to notify the Treasurer of such board promptly if and when you determine that any additional actual, apparent or potential conflict of interest with your duty to IAFC arises subsequent to the execution of this form. Please check the appropriate section at the bottom of this page.

**NONDISCLOSURE AGREEMENT**

I agree that any confidential information disclosed to me by members or staff of IAFC, or by third parties, in connection with my membership on the applicable board of these organizations, will be treated as such. I will not use or disclose such information except as may be authorized by IAFC, and will make my best effort to prevent its unauthorized disclosure. Confidential information shall include all such information relating to IAFC's members or to IAFC's operations, policies, plans, goals, or objectives. Confidential information shall not include information previously known to me, the IAFC membership, the general public, or previously recognized as standard practice in the field. I acknowledge that unauthorized disclosure of confidential information could cause irreparable harm and significant injury to IAFC and/or IAFC's members. I agree that, upon request, I will return to IAFC all materials supplied to me by them, including agendas, minutes and supporting documents.

Instructions to IAFC Covered Leaders (defined in the Conflict of Interest Policy): Please initial all of the following statements which apply to you, sign in the space indicated and return to the IAFC Treasurer.

- a. \_\_\_\_ I have read, understand, and agree to comply with, the Association's Conflict of Interest Policy.
- b. \_\_\_\_ To the best of my knowledge, I am not in violation of the Association's Conflict of Interest Policy.

- c. \_\_\_\_ I have actual or potential conflict(s) of interest and have disclosed them per article IV section 1 of the Association's Conflict of Interest Policy. Please disclose potential conflicts:

Not-for-profit boards/organizations:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

For-profit boards/organizations:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Consulting/other potential conflicts:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

I have read the foregoing Conflict of Interest Policy, Conflict of Interest Disclosure Form, and Nondisclosure Agreement, understand and acknowledge that (a) the IAFC is a not-for-profit, tax-exempt organization 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, (b) it is my continuing responsibility to promptly disclose any actual or potential conflict(s) of interest as soon as I become aware of them, and (c) I may be requested from time to time to reaffirm and acknowledge in writing my understanding of the IAFC's Conflict of Interest Policy.

\_\_\_\_\_  
Print Name and Relationship      Position

\_\_\_\_\_  
Signature of IAFC Covered Leader      Date

\_\_\_\_\_  
Signature of the IAFC Treasurer      Date