



DEPARTMENT OF GEORGIA POLICY CONFLICT OF INTEREST

Reviewing Body: Department President

Reviewed Date: 01-14-2023

Adopted By: Department Executive Committee

Adopted Date: 03-23-2023

Policy Statement

It is the policy of the American Legion Auxiliary (ALA), Department of Georgia, a public benefit 501 (c) (19) not-for-profit veterans organization auxiliary headquartered in Stockbridge, Georgia, to protect the American Legion Auxiliary's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of members of the governing board, Department officers, Department chairs, members of a committee with governing board delegated powers, Department appointees, and Department Headquarters staff, or that 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.

Policy Definitions

Interested Person: An interested person is any member of the governing board, department officer, department chair, member of a committee with governing board delegated powers, department appointee, and Department Headquarters staff who has a direct or indirect financial interest, as defined below.

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 ALA has a transaction or arrangement,
- b. a compensation arrangement with the ALA or with any entity or individual with which the ALA 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 ALA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are of a material nature. A financial interest is not necessarily a conflict of interest. Under the American Legion Auxiliary National Conflict of Interest Procedures, a person with a financial interest may have a conflict of interest only if the appropriate governing board or committee so determines.

Policy

1. Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. 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, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- 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.

2. Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the ALA for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the ALA for services is precluded from voting on matters pertaining to that member's compensation. Voting members of the governing board or any committee whose jurisdiction includes compensation matters and who receive compensation, directly or indirectly, from the ALA, either individually or collectively, are not prohibited from providing information to any committee regarding compensation.

3. Annual Statements

Each interested person can assume the responsibilities of their position when they have signed an annual statement affirming such person:

- a. has received a copy of the Conflict of Interest Policy,
- b. has read and understands the policy,
- c. agrees to comply with the policy, disclose any known conflicts, and
- d. understands that the ALA is a charitable 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.

4. Periodic Reviews

To ensure the ALA operates in a manner consistent with charitable 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:

- 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 ALA'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.

5. Use of External Expertise

When conducting the periodic reviews as provided for in Section 4, the ALA may consult or engage persons or businesses with professional expertise. Use of external expertise does not relieve the governing board of its responsibility for ensuring said periodic reviews are conducted.

Date Revised (or established)	Description of Revision	Adopted By:
03-23-3023	Established	Department Executive Committee