

NATIONAL ASSISTANCE LEAGUE®

CONFLICT OF INTEREST POLICY

This conflict of interest policy is designed to help directors, officers, employees and volunteers of National Assistance League identify situations that present potential for conflict of interest. It is intended to comply with the procedure prescribed in California statutes, governing conflicts of interest for directors or members of nonprofit corporations.

To protect the organization's tax-exempt 501(c)(3) status, it is important that all staff, directors, officers and volunteers understand the necessity to adhere to the highest standards and practices to avoid any appearance of personal gain.

The purpose of this conflict of interest policy is to protect the National Assistance League's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, employee or volunteer of the organization or might result in a possible excess benefit transaction.

1. NATURE OF CONFLICTING INTERESTS:

A conflict of interest arises in any situation where a director, officer, employee or volunteer's duty to act solely in the best interests of the organization is compromised by any other interest, relationship or duty. The following circumstances shall be deemed to create conflicts of interest:

- Outside Interests
 - A contract or transaction between National Assistance League and a responsible person or family member. If a responsible person or family member has a material financial interest or of which such person is an officer, agent, partner, associate trustee, conflict of interest could occur.
 - If a business situation occurs where bids for work or equipment are being sought by National Assistance League, all bids will be accepted, but no preferential treatment of any kind will be shown to bidders who may be related to or acquainted with National Assistance League
 - Dual loyalty: Holding office, serving on a competing board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with National Assistance League.
- Outside Activities
 - A responsible person competing with National Assistance League in the rendering of services or in any other contract or transaction with a third party.
 - A responsible person's having a material financial interest in; or serving as a director, employee, officer, agent, associate, trustee, personal representative of, or consultant to, an entity, or individual that competes with National Assistance League in the provision of services or any other contract or action with a third party.

- Gifts and gratuities
 - Receiving personal gifts or loans from third parties dealing with National Assistance League. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No gift of money should ever be accepted.
- Use of National Assistance League time, personnel, equipment, supplies or good will for other than approved National Assistance League activities, programs and purposes.

2. DEFINITIONS:

- A *conflict of interest* is any circumstance described earlier in this Policy.
- A *Financial Interest* – A responsible person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - An ownership or investment interest in any entity with which the organization has a transaction or arrangement,
 - A compensation arrangement with National Assistance League or with any entity or individual with which the Organization has a transaction or arrangement, or
 - A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which National Assistance League is negotiating a transaction or arrangement.
- *Compensation* includes direct and indirect remuneration as well as gifts or favors that are not insubstantial
- A *responsible person* is any person serving as an officer, director, employee or volunteer of National Assistance League.
- A *family member* is a spouse, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister.
- A *contract or transaction* is an agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any type of pecuniary relationship, or review of charitable organizations by National Assistance League. The making of a gift to National Assistance League is not a contract or transaction.

3. PROCEDURES:

A responsible person must disclose the existence of the financial interest and given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

- Prior to Board or committee action on a contract or transaction, a responsible person having a potential conflict of interest who attends the meeting shall disclose all facts and material to the potential conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.
- A director, officer, employee or volunteer who plans not to attend a meeting at which he or she has reason to believe that there will be action on a potential conflict of interest involving that person, shall disclose to the chairperson of the

meeting all facts and material to the conflict of interest. The chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

- A person with conflict of interest shall not participate in or be permitted to hear the Board's or committee discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- A person who has a potential conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person who has a potential conflict of interest may not vote on the contract or transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
- Responsible persons who are not employees or members of the Board of Directors of National Assistance League, or who have a potential conflict of interest which respect to a contract or transaction that is not the subject of Board or committee action, shall disclose to the executive director or board chair or their designee any potential conflict of interest as soon as the potential conflict of interest is known to the responsible person. The responsible person shall refrain from any action that may affect National Assistance League participation in such contract or transaction. In the event it is not entirely clear that a potential conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to the executive director or chairperson or their designee, who shall determine whether there exists a potential conflict of interest that is subject to this policy.

4. DISCLOSURE OF CONFLICTS:

A director, officer, employee or volunteer who is in a position of conflict or potential conflict shall immediately disclose such conflict by notification to the executive director or board chair. The disclosure shall be sufficient to disclose the nature and extent of the interest. Disclosure shall be made at the earliest possible time and, where possible, prior to any discussion and vote on the matter.

- Where a director, officer, employee or volunteer is not present at a meeting where a matter in which they have a conflict is first discussed and/or voted upon, or a conflict arises after a matter has been discussed but not yet voted on by the Board, or becomes conflicted after a matter has been approved, the individual shall make the declaration of the conflict to the executive director or board chair as soon as possible and at the next meeting of the board.
- If a director, officer, employee or volunteer becomes interested in a contract or transaction after it is made or entered into, the disclosure shall be made as soon as possible after the individual becomes so interested.
- A director, officer, employee or volunteer may make a general declaration of their relationships and interest in entities or persons that give rise to conflicts.

5.PROCESS FOR RESOLUTION:

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

- An interested person may make a presentation at the board or committee 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.
- The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the board or committee shall determine whether National Assistance League 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.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable.

6. VIOLATIONS OF CONFLICT OF INTEREST POLICY:

- If the board or committee 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 board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

7. CONFIDENTIALITY:

- Each responsible person shall exercise care not to disclose confidential information acquired in connection with such status or information which might be adverse to the interests of National Assistance League.
- Each responsible person shall not disclose or use information relating to the business of National Assistance League for the personal profit or advantage of the responsible person or a family member.

8. PERCEIVED CONFLICTS:

There may be cases where the perception of a conflict of interest or breach of duty (even when no conflict exists or breach has occurred) may be harmful to the organization. In such circumstances, the process set out in this policy for addressing conflicts and breaches of duty shall be followed.

9. RECORDS OF PROCEEDINGS:

The minutes of the board and all committee meetings with board delegated powers shall contain:

- 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 board's or committee's decision as to whether a conflict of interest in fact existed.
- The names of the persons who were present for discussions and vote 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.

10. ANNUAL STATEMENTS:

Each director, officer, employee and member of a committee with board delegated powers shall annually sign a statement that affirms:

- Has received a copy of the conflict of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and
- Understands National Assistance League is charitable and in order to maintain its federal tax-exempt purposes.

11. PERIODIC REVIEWS:

To ensure National Assistance League 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 subject:

Whether partnerships, joint ventures, and arrangements with management organizations conform to National Assistance League's written policies, are properly recorded, reflect reasonable investment or payments for good and service, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Date Approved: May 8, 2026

Date Last Modified: _____

CONFLICT OF INTEREST DISCLOSURE STATEMENT

Please initial each statement that applies to you:

_____ I have read and am familiar with the Conflict of Interest Policy.

_____ I am not aware of any direct or indirect financial, competing or other material interest or co-investment interest that is required to be disclosed under the Conflict of Interest Policy.

_____ I have described in the attached letter every direct or indirect financial, competing or other material or co-investment interest that is required to be disclosed under the Conflict of Interest Policy. (Please attach a letter providing complete details of any direct or indirect, financial, competing or other material interest or co-investment interest subject to the Policy.)

During the time I am a Director, Officer, Employee or Volunteer of National Assistance League, I agree to report promptly any future direct or indirect financial, competing or other material interest or co-investment interest that is required to be disclosed under the Policy.

Signature: _____

Date: