



CONFLICT OF INTEREST POLICY

Adopted October 18, 2017

Purpose

The purpose of the conflict of interest policy is to protect the interest of the Washington Association of Accounting and Tax Professionals (WAATP) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a conflict of interest applicable to nonprofit and charitable organizations.

Definitions

1. **Interested Person** – Any director, State or Chapter officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Family relationship** – A spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an Interested Person.
3. **Business relationship** – An interested person has a business relationship if they are a director, officer or greater-than-10% owner of an entity of which another of WAATP's directors, officers, or committee members is a director, officer, greater than 10% owner, or a key employee.
4. **Financial Interest** – A person has a financial interest if the person has, directly or indirectly, through family, business, or investment:
 - a) An ownership or investment interest in any entity with which WAATP has a transaction or arrangement,
 - b) A compensation arrangement with WAATP or with any entity or individual with which WAATP has a transaction or arrangement, or
 - c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WAATP is negotiating a transaction or arrangement.

Procedures

1. **Duty to Disclose** – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the family relationship, business relationship, and/or financial interest and be 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.
2. **Determining Whether a Conflict of Interest Exists** – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the governing 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.
3. **Procedures for addressing the Conflict of Interest**
 - a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, s/he 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 of the Board of Directors or Chairperson of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- c. After exercising due diligence, the governing board or committee shall determine whether WAATP 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in WAATP'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.
4. Violations of the Conflict of Interest Policy
- a. If the governing 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.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing 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.

Records of Proceedings

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

1. 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.
2. 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.

Compensation

1. A voting member of the governing board who receives compensation, directly or indirectly, from WAATP for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from WAATP for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from WAATP, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each director, officer, and member of a committee with governing board delegated powers shall annually 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 WAATP is a nonprofit 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.

This policy is meant to complement good judgement, and all officers, board members, and committee member will respect its spirit as well as its wording. It is also intended to supplement, but not replace, any state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Melanie G. Levno
Melanie G. Levno

President

Ronnie D. Wright

Ronnie D. Wright, State Treasurer

Treasurer

10/31/2017

Date

10/31/2017

Date

Board Compliance Disclosure:

I have received a copy of the Washington Association of Accounting and Tax Professional (WAATP) Conflict of Interest policy. I have read, understand and agree to comply with this policy. I understand that it is my duty to disclose any potential conflict of interest at the onset of any proposed transaction or arrangement and I agree to abide by the decisions of the WAATP Board of Directors.

At this time:

_____ I have no potential conflict of interest to report

_____ I have the following potential conflict of interest to report:

Signature

Date

Print Name

WAATP Position