

## **ACCET CONFLICT OF INTEREST POLICY RELATIVE TO FINANCIAL TRANACTIONS**

**Article I – Purpose:** The purpose of this conflict of interest policy is to protect the financial interests of the Accrediting Council for Continuing Education and Training (ACCET) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an ACCET Commissioner, officer, or member of a committee designated by the ACCET Commission. This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest for charitable and/or nonprofit organizations.

### **Article II – Definitions**

1. **Interested Person:** An interested party is any ACCET Commissioner, officer, or member of a committee designated by the ACCET Commission who has a direct or indirect financial interest, as described below.
2. **Financial Interest:** A person has a financial interest if that person has, directly or indirectly, through business, investment or family:
  - A. An ownership or investment interest in any entity with which ACCET has a transaction or an arrangement;
  - B. A compensation arrangement with ACCET or with any entity or person with which ACCET has a transaction or arrangement;
  - C. A potential ownership or investment interest in any entity or person with which ACCET is negotiating a transaction or arrangement; or
  - D. A potential compensation arrangement with ACCET or with any entity or person with which ACCET is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Executive Committee or, if applicable, its designated Audit Committee determines that a conflict of interest exists.

### **Article III – Procedures:**

1. **Duty to Disclose:** In connection with any possible or actual conflict of interest, an interested person must disclose the existence of a financial interest and be given an opportunity to disclose all relevant facts to the Executive Committee which may delegate this review to an Audit Committee.

**2. Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all relevant facts, and after any discussion with the interested party, the person shall reclude himself/herself while the determination of a conflict of interest is discussed and voted upon. The remaining committee members shall determine if a conflict exists.

**3. Procedures for Addressing the Conflict of Interest:**

- A. An interested party may make a presentation at the committee meeting, but after the presentation, the person shall leave the meeting during the discussion and vote on the transaction or arrangement involving the possible conflict of interest.
- B. The Executive Committee may appoint an Audit Committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the committee shall determine whether ACCET 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 available under circumstances not producing a conflict of interest, the committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in ACCET'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 committee has reasonable cause to believe an person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV – Records of Proceedings:** The minutes of all committees delegated by the Executive Committee shall contain:

- A. The names of any 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 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.

## **Article V – Compensation:**

- A. A voting member of the Commission who receives compensation, directly or indirectly, from ACCET 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 ACCET for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the Commission or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ACCET, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI – Annual Statements:** Each ACCET Commissioner, officer, or member of a committee designated by the ACCET Commission shall annually sign a statement which affirms such person:

- A. Has received a copy of the conflict of interest policy,
- B. Has read and understands the conflict of interest policy,
- C. Has agreed to comply with the policy, and
- D. Understands ACCET is charitable and in order to maintain its federal tax exemption status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article VII – Periodic Reviews:** To ensure ACCET 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 results of arm's length negotiating.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to ACCET'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.

**Article VIII – Use of Outside Experts:** When conducting the periodic reviews as provided for in Article VII, ACCET may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Commission of its responsibility for ensuring periodic reviews are conducted.

**ANNUAL AFFIRMATION OF COMPLIANCE WITH  
ACCET CONFLICT OF INTEREST POLICY RELATIVE TO  
FINANCIAL TRANSACTIONS**

As an ACCET Commissioner, officer, and/or member of a committee designated by the ACCET Commission, I hereby affirm that I understand that the purpose of the ACCET Conflict of Interest Policy Relative is to protect the financial interests of ACCET when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an ACCET Commissioner, officer, or member of a committee designated by the ACCET Commission. This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest for charitable and/or nonprofit organizations. Further, I affirm that I:

- Have received a copy of the conflict of interest policy,
- Have read and understand the conflict of interest policy,
- Have agreed to comply with the policy, and
- Understand that ACCET is a charitable organization and in order to maintain its federal tax exemption status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_