

CODE OF CONDUCT & CONFLICT OF INTEREST POLICY

**FAMILY AND FRIENDS OF THE 508TH PARACHUTE INFANTRY
REGIMENT (PIR) ASSOCIATION, INC.**

**Adopted by Unanimous Vote of the Association's Board of Directors
August 14, 2016**



PURPOSE

The purpose of these policies is to protect this tax-exempt Association from harm caused by fraudulent dealings, conflicts of interest, and improper financial management. These policies are intended to supplement but not replace any applicable state and federal laws governing such matters applicable to non-profit and charitable organizations.

DEFINITIONS

Associate Shall mean all Association Board Members, Officers, Committee Chairpersons and Members at large.

POLICY 1: HONEST AND ETHICAL CONDUCT

The Association expects its Associates to conduct themselves in their business dealings in an honest and non-fraudulent manner. Likewise, the Association expects its Associates to deal honestly with all governmental entities.

The Association's interests are never furthered by fraudulent dealings. In this regard, the Association demands that all its Associates deal honestly with all persons with whom the Association does business. Under no circumstances will any Associate willfully file or condone or solicit the filing of any materially false, fictitious or fraudulent claim, report or information with any person or governmental entity under any circumstances. Nor will fraudulent actions by the independent contractors of the Association be condoned under any circumstances. Any attempt to circumvent this, or any other provision of the Code by the use of independent contractors or consultants will result in the separation of the Associate and the cancellation of the contract with the independent contractor or consultant.

POLICY 2: CONFLICTS OF INTEREST

All Associates of the Association are expected to avoid any activity that may interfere, or have the appearance of interfering with the performance of their responsibilities to the Association.

General

It is not feasible to specify all activities that may give rise to a conflict of interest; however, such conflicts will generally occur within the areas of:

- Transactions with the Association
- Business relationships with Association vendors, donors, and sponsors
- Excessive business gifts from Association transactions with vendors, consultants, etc.

The Association is particularly sensitive to the appearance of impropriety that can surround acceptance of gifts or hospitality from external (non-Associates) people or organizations, such as current or potential vendors, donors or sponsors. Accordingly, Associates are not permitted to accept anything of value over US\$100 without prior permission from the Board of Directors.

Loans to, or guarantees of obligations of, Associates and their family members are of special concern. The Association shall not, directly or indirectly, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit in the form of a personal loan or guarantee for any Associate or any member of the Associate's family.

Identifying Conflicts of Interest

The following will serve as a guide to the circumstances or types of activities that could cause conflicts and should, therefore, be fully reported to the Association:

1. Ownership by an Associate or a close relative of a two percent or more financial interest in any enterprise that does business with the Association.
2. Participation in any outside activity that competes directly or indirectly with the Association or that interferes or has the appearance of interfering with the performance of the Associate's duties with the Association.
3. Serving as a director, consultant, employee or agent of an enterprise that conducts or seeks to conduct business with the Association.
4. Acceptance by an Associate or a close relative of gifts of a size that may tend to influence business decisions or compromise independent judgment. Such gifts would include loans, excessive entertainment or other favors from an individual, enterprise or organization that does or is seeking to do business with the Association.
5. Disclosure or use by an Associate of information that is confidential, proprietary or privileged, for the benefit of an Associate or of any other person.

Duty to Disclose

1. In the event of a possible conflict of interest, an Associate must disclose all material facts to the Association's Board of Directors.
2. If the Board of Directors believes an Associate has not disclosed a possible conflict of interest, the Board shall address the Associate surrounding its reasonable cause, allow the Associate to explain and disclose further, and launch further investigation as warranted.
3. At the time of disclosure, the Board will take appropriate steps to protect the Association from further harm due to the potential conflict of interest.

Procedures for Addressing Conflicts of Interest

1. The Association's Board of Directors, or an appropriate subset of the Board, shall be responsible for investigating the possible conflict of interest, determining whether a true conflict of interest exists, and resolving any apparent or actual conflict of interest in the best interests of the Association.
2. An Associate who has a possible or actual conflict of interest will be allowed to present pertinent information to the Board for consideration. The Associate shall not be present during Board discussions and decision-making surrounding such information and the specific conflict of interest situation.
3. The Board shall decide whether to intervene and eliminate the apparent or actual conflict of interest or to allow the situation/transaction to go forth in the best interest of the Association. Because each case may involve special circumstances, it will be judged on its own merits.

POLICY 3: RECORDING FUNDS, ASSETS, RECEIPTS & DISBURSEMENTS

All funds, assets, receipts and disbursements of the Association shall be properly recorded on the books of the Association.

The integrity of the Association's record-keeping and reporting systems shall be maintained at all times to help the Association meet its obligation to provide full, fair, timely, accurate and understandable disclosure to its Members and to government and tax authorities. Associates working with the Association's record-keeping and reporting systems must act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting facts or allowing their independent judgment to be subordinated by others. All of the Association's books, records and accounts, including invoices, purchase orders, expense reports, payroll records and other data, must fully and accurately reflect the actual value and nature of each transaction. Associates are forbidden to use, authorize, or condone the use of off-the-books (unofficial) recordkeeping or any other device that could be utilized to distort records or reports of the Association's actual operating results and financial condition. Maintenance or creation of falsified, inaccurate or incomplete records can subject the offending individual and the Association to civil and criminal penalties.

To assure that this policy is implemented, it is specifically understood that:

1. No funds or accounts shall be established or maintained for purposes that are not fully and accurately reflected on the books and records of the Association.
2. No funds or other assets shall be received, disbursed, transferred or disposed of without being fully and accurately reflected on the books and records of the Association.
3. No false, fictitious or intentionally misleading entries shall be made on the books or records of the Association and no false or misleading reports pertaining to the Association or its operations shall be issued.

Any Associate having knowledge of any act or circumstance that is prohibited by this policy shall immediately report the matter to the Association's Board of Directors.

RECORDS, ANNUAL STATEMENTS & PERIODIC REVIEWS

1. The Association Board of Directions shall maintain records surrounding investigations and minutes of official meetings related to possible or actual violations of the above-listed policies surrounding fraudulent dealings, conflicts of interest, and improper financial reporting and management. Such records shall include appropriate details surrounding individuals involved, circumstances investigated, votes and decisions made, and remediation approved and implemented.
2. Each Board Member, Officer and Committee Chairperson of the Association shall annually sign a statement that affirms such person:
 - a. Has received a copy of these Policies
 - b. Has read and understands the Policies,
 - c. Has agreed to comply with the Policies, and
 - d. Understands the Association is charitable 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.
3. To ensure the Association 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. These 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 all transactions and arrangements with organizations and individuals conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do result in inurement, impermissible private benefit or in an excess benefit transaction.