North Carolina Bar Association
North Carolina Bar Association Foundation

CONFLICT OF INTEREST POLICY

WHEREAS, it has always been, and will continue to be, the policy of the Board of Governors to maintain, and to encourage its Officers, Board members, Division, Section and Committee Chairs and management staff (hereinafter referred to as ‘A leader’ or ‘A leadership’) to maintain the highest standards of ethics and propriety in activities and relations with all parties; and

WHEREAS, the Board of Governors wishes to adopt a formal Policy on Conduct for the guidance of its leadership to promote adherence to the ethical standards maintained by the Board;

RESOLVED, that the following Policy on Conduct is hereby adopted:

FIRST: NCBA/NCBF leadership shall adhere to the highest standards of honesty, good faith and fair dealing in all activities relating to the Association and its Foundation.

SECOND: No leader or any member of their respective families or households should accept gifts, gratuities or favors of any kind which could reasonably be expected to influence his or her actions affecting the Association, from any person, firm or corporation doing business or seeking to do business with the Association. Prohibition is not intended to preclude nominal benefits to the Association in the reasonable and ordinary course, such as complimentary hotel rooms, business meals or the like.

THIRD: No leader should have any position of influence with, or a material financial interest in any other entity, the existence of which does or could reasonably be expected to conflict with the proper performance of his or her duties or responsibilities to the Association, or, which could reasonably be expected to affect his or her independence of judgment, including transactions between the Association and such other entity, without full and complete disclosure to and approval of the Board or the Executive Committee (also see Financial Standards of Conduct).

FOURTH: Each leader should provide the Board or the Executive Committee with a full and complete written disclosure of all facts of any transaction or situation that is subject to any reasonable doubt concerning the possible existence of a conflict of interest by the officer, director, volunteer or employee.
FIFTH: It is recognized that situations may arise in which the Board may wish to contract or enter into an arrangement for goods or services under circumstances that may present a conflict of interest. Before entering into any such contract or arrangement, the terms of the contract or arrangement should be fully and completely disclosed to the Board or the Executive Committee. The Board will only enter into the contract or arrangement if (i) the contract or arrangement is upon terms and conditions at least as advantageous to the Association as can be reasonably obtained from any other source for equivalent goods or services; and (ii) the Board or the Executive Committee (in each case with any interested member abstaining) by resolution approves such contract or arrangement.

BE IT FURTHER RESOLVED, that annually the Executive Director shall send to all leaders a copy of this Resolution. The Executive Director shall submit a confidential report to the Executive Committee concerning any interests of leaders known to him together with his recommendations. The Executive Director shall administer this policy, and any disputed action of the Executive Director with respect to this policy shall be resolved by the Board or the Executive Committee, whichever next meets.

BE IT FURTHER RESOLVED, that each new leader shall receive a copy of this policy immediately upon assumption of his or her responsibilities.

4/97
Annex B. Reporting Requirements: Conflicts of Interest and Related Party Transactions

All Bar Center staff members must act at all times in the Association’s best interests, including the honest and ethical handling of actual or apparent conflicts of interest in personal and professional relationships.

- Report to the Compliance Officer all situations where a staff member or a member of the family of a staff member has an interest or obligation that affects, could affect or could appear to affect his or her judgment.
- Any staff member placed in a position where there is a possible conflict or the appearance of a conflict of interest with the Association must discuss the situation with the Compliance Officer who will report to the Audit Committee.
- Relationships as described above may be approved by the Audit Committee; however, each staff member involved in an approved relationship must submit a report annually through the Association’s Executive Director to the Audit Committee.

Reports.

- A report is required annually to the Compliance Officer on the extent of the involvement of any staff member in a Related Party Transaction. The report is due not later than June 30.
- The report must contain the following information:
  - The name and position of the staff member.
  - Any active involvement in the entity (owner, board member, family relationship, etc.).
  - The staff member’s ability to influence Association decisions on the use of the entity.
  - How the entity obtains business from the Association.

Sample reports are included in Attachment 1.
Attachment 1. Sample Reports of Related Party Transactions

(date)

Executive Director
North Carolina Bar Association
8000 Weston Parkway
Cary, North Carolina 27513

RE: Related party Transactions

The undersigned is involved in an approved Related Party Transactions with (name of entity). The entity provides (type of services) to the Bar Association and Foundation. The entity is owned by (identify the relationship). The value of the services provided for the FY ending June 30, _____, was _____.

I am in a position to influence the decisions relating to contracting for these type services. However, I am not involved in this process and take special care not to influence anyone who is involved. Moreover, I do not discuss the capabilities of that company with other staff members unless specifically asked. The entity’s sales representatives solicit business from the Association in the same manner as other providers.

I do not allow my work with the Association to be affected by the fact that I have a relationship with a vendor with which the Association does business.

Sincerely,

(name)
(position)
Executive Director  
North Carolina Bar Association  
8000 Weston Parkway  
Cary, North Carolina 27513  

RE: Related party Transactions  

The undersigned is the owner or operator of a (type of service) with which the Bar Association and Foundation conduct business. It is an approved Related Party Transaction. My position in the Bar Association/Foundation is similar to my private enterprise. The value of the services provided for the FY ending June 30, _____, was _____.

I do not solicit business from the Association or Foundation nor do any of my sales representatives. I am not involved in making the decision to contract for such work. I receive all requests for my company’s involvement from members of the Management Staff.

I do not allow my work with the Association to be affected by the fact that I own or operate a company that provides the same or similar services for which I was hired by the Association.

Sincerely,

(name)  
(position)
APPENDIX F. FINANCIAL STANDARDS OF CONDUCT

I. Purpose.

To establish financial standards of conduct for all employees of the North Carolina Bar Association and North Carolina Bar Foundation. These standards do not change any other Association policies. All policies are in the NCBA/NCBF Policies and Procedures Manual.

II. Definitions.

- **Association.** Unless specified otherwise, Association pertains to both the North Carolina Bar Association and the North Carolina Bar Association Foundation.
- **Bar Center Staff.** Unless specified otherwise, Bar Center Staff pertains to the staffs of both the North Carolina Bar Association and the North Carolina Bar Association Foundation.
- **Senior financial positions are:**
  - Executive Director
  - Assistant Executive Director
  - Director of Administration
  - Accounting Manager
  - Assistant Accounting Manager
- **Compliance Officer:** the Association’s Executive Director who is responsible for the day-to-day implementation of these standards.
- **Conflicts of Interest:** when one has an interest, usually financial, in a matter that is adverse to or conflicting with that of the party he or she is representing in the same general matter.
- **Executive Committee:** the Executive Committee of the Boards of Governors of the North Carolina Bar Association and the North Carolina Bar Association Foundation.
- **Audit Committee:** the Audit Committee is the Finance Committee and is chaired by the President-Elect.

III. Applicability.

These standards apply to all Bar Center staff members, including senior financial employees. All employees are responsible for knowing and complying with its provisions. In order to promote compliance with full, fair, accurate, timely and understandable disclosure in financial and program communications, senior financial staff members will annually certify their reading and understanding of these standards.

IV. Compliance with Law and Regulations.

The Association Board of Governors and the Foundation Board of Directors are ultimately responsible for implementation and compliance with the provisions of these standards. The Boards have designated the Executive Director as the Compliance Officer for implementation of and adherence to these standards.
The Association is governed by the laws of the United States and the State of North Carolina. All business will be conducted within the spirit and letter of applicable laws and regulations. Special attention will be paid to those laws and regulations governing conflicts of interest, civil rights, copyright protection, corrupt practices, taxes, and Political Action Committee expenditures.

When there is any doubt concerning the legality of a matter, staff members will consult the Compliance Officer.

V. Generally Applicable Standards.

Staff members will at all times:
- Conduct all financial transactions in accordance with this Code, Association policies, and applicable laws and regulations.
- Avoid all conflicts of interest and the appearance of conflicts of interest when conducting Association business.
- Maintain a high personal standard of conduct and integrity.
- Provide staff members, consultants and advisors with accurate, complete, timely and understandable financial information.
- Report any transactions or relationships that violate or could violate these standards, including any actual or apparent conflicts of interest to the Compliance Officer.
- Act responsibly, competently and with due diligence when involved in Association business.
- Not misrepresent material facts or allow your independent judgment to be compromised.
- Respect the confidentiality of members’ financial information.
- Proactively promote ethical behavior among all staff members.
- Ensure full, fair, timely, accurate and understandable disclosure in the Association’s financial reports.

VI. Accounting Practices.

- Financial books and records will be kept in accordance with Generally Accepted Accounting Principles (GAAP) and with established Association financial and accounting policies.
- Separate checking and investment accounts will be maintained for the North Carolina Bar Association, the North Carolina Bar Association Foundation and the North Carolina Bar Association Foundation Endowment.
- There will be no “off the books” accounts.
- All transactions will be carefully documented and supported by a valid business purpose.
- No staff member will make false or misleading statements to any of Association accountants, auditors, governmental officials or third parties, such as members, vendors or creditors.
- No staff member shall, directly or indirectly, take any action to coerce, manipulate, mislead or fraudulently influence the Association’s auditors.
VII. Business Relationships.

- Members and vendors will be dealt with fairly and honestly.
- Improper acts or the appearance of impropriety will be avoided.
  - Bar Center staff members will notify their immediate supervisor if they are offered any gifts in connection with a purchasing decision.
  - Personal discounts not generally available to the public or through an established discount program may not be accepted by Bar Center staff members from a client or supplier, except as approved by the Compliance Officer. Complimentary hotel rooms, upgrades and services may be accepted by staff members when offered in conjunction with scheduled programs or as part of the evaluation process for future programs. As part of their public relations program, some hotels – including those that have relationships with the Association – offer complimentary rooms and services such as spa, golf or tennis. Staff members may accept these provided such acceptance is not contingent on future contracts.
  - Bar Center staff members may not accept gifts of any significance (a value of $100 or more) from vendors without the approval of the Compliance Officer. Staff members may accept gifts considered common business handouts (pens, pads, t-shirts, umbrellas, meals, etc.) provided such gifts have a value of less than $100.
  - The Compliance Officer will not accept gifts of any significance (a value of $100 or more) from vendors without the approval of the Chair of the Association’s Finance Committee.

VIII. Conflicts of Interest/Related Party Transactions

All Bar Center staff members must act at all times in the Association’s best interests, including the honest and ethical handling of actual or apparent conflicts of interest and related party transactions in personal and professional relationships.

- Report to the Compliance Officer all situations where you or a family member have an interest or obligation that affects, could affect or could appear to affect your judgment in fulfilling responsibilities to the Association and its members.
- Any staff member placed in a position where there is a possible conflict or the appearance of a conflict with the interests of the Association must discuss the situation with the Compliance Officer, who will report such facts to the Audit Committee.
- Relationships as described above will be approved annually by the Audit Committee. However, each staff member involved in an approved relationship must submit a report annually through the Association’s Executive Director to the Audit Committee. The report will include the value received for the services provided.

IX. Outside Employment/Directorships.

Bar Center staff members are expected to devote their energies to Association work. Community and professional activities are encouraged. However, such activities should not
interfere with a staff member’s ability to adequately fulfill other professional responsibilities and should not jeopardize his or her performance.

X. Confidential Member Information.

Confidential member information belongs to the Association. Association members entrust the Association with their confidential information and trust the Association to maintain its privacy. No staff member may divulge such information to a third party, except where disclosure is approved by the Association or the member or is otherwise legally mandated.

• Never disclose or use in an inappropriate manner knowledge of a firm’s business affairs.
• Exercise great care when it is necessary to discuss confidential information in public places where discussions may be overheard.
• Do not discuss confidential member information unless authorized to do so.
• Safeguard member financial information, including credit card numbers.

XI. Waivers.

Any waiver of these standards for the Executive Director, Assistant Executive Director, Director of Administration, Accounting Manager, and/or Assistant Accounting Manager may be made only by the Audit Committee.

All other requests for waiver will be submitted in writing to the Compliance Officer for appropriate review.

The Audit Committee must review and pre-approve all related party transactions. All such transactions will be reported to the Board of Governors and will be noted on the Association’s annual audit.

XIII. Violations of the Standards.

Prompt action will follow all violations of these standards. If the Compliance Officer, Audit Committee or the Executive Committee, determines that a Bar Center staff member has violated any provision of these standards, appropriate action, up to and including employment termination, will be taken.

XIV. Guidance and Help.

It is impossible to cover every type of ethical situation a staff member might encounter. The Compliance Officer is available to answer questions. When in doubt, discuss the situation with the Compliance Officer or your supervisor.

Good faith compliance should be your guideline. If you believe that these standards have been violated, notify the Compliance Officer or the Chair of the Audit Committee.

XV. Reporting.

• Financial Irregularities. See Annex A.
• Related Party Transactions. See Annex B.