



APPENDIX E

American GI Forum of the United States

Conflict-of-Interest Policy

Prologue

THE IRS REQUESTS ANNUAL DISCLOSURE STATEMENTS

The IRS requires that tax-exempt organizations engage in a periodic review of conflict-of-interest transactions. The purpose is to ensure the following:

- a. All Conflict-of-Interest transactions are disclosed,
- b. The procedures required by the IRS are followed for approving all conflict-of-interest transactions.
- c. All payments paid to or received from the AGIF-US or AGIF Organization(s) for the purchase or sale of goods or services are determined based on accurate information from independent and competent sources.
- d. All transactions are fair and reasonable to the AGIF-US and AGIF Organization(s).
- e. The AGIF-US and AGIF Organization(s) does not engage in activities that result in prohibited private inurement, impermissible private benefit or in an excess benefit transaction; any of which could jeopardize its tax-exempt status.

Article I: Purpose:

The purpose of the Conflict-of-Interest policy is to protect the AGIF-US and AGIF Organization(s) tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a commander, chairwoman, youth chair, director, officer, or member of the AGIF-US or AGIF Organization(s) or might result in a possible excess benefit transaction.

Directors, officers, members, and employees are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a director, member, or employee and those of the AGIF-US or AGIF Organization(s). A Conflict of Interest exists when the loyalties or actions of a director, officer, member, or employee are divided between the interests of the AGIF-US and AGIF Organization(s), and the interest of the director, officer, member, or employee. Both the fact and the appearance of a Conflict of Interest should be avoided.

This policy is intended to supplement but not replace any applicable State and Federal laws governing of a conflict-of-interest applicable to non-profits and charitable organizations.

This policy applies to all AGIF-US and AGIF State Organization(s).

Article II: Definition:

1. Interested Person:

Any director, principal officer, or member of a committee at the National, State or Local level with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Substantial influence over the AGIF-US and AGIF Organization(s), the following persons are deemed to have substantial influence over the AGIF-US and AGIF Organization(s); each member of the Board of Directors; the officers of the AGIF, and such persons' spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters and the spouses of the children, grandchildren, great grandchildren, brothers and sisters; and an entity in which such persons hold more than 35 percent of the control. Furthermore, any person who met one of these definitions in the five years before the proposed transaction is deemed, for purposes of this Policy, to have substantial influence over the AGIF-US and AGIF Organization(s).

2. Financial Interest:

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family (nepotism):

- a. An ownership or investment interest in any entity with which the AGIF-US or AGIF Organization(s) has a transaction or arrangement.
- b. A compensation arrangement with the AGIF-US or AGIF Organization(s) or with any entity or individual with which has a transaction or arrangement.
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual which a negotiating a transaction or arrangement with AGIF-US or AGIF Organization(s).

Compensation includes direct and indirect remuneration as well as gifts, favors or scholarships that are substantial.

A financial interest is not necessarily a Conflict of Interest, Under Article 111, Section 2, a person who has a financial interest may have a Conflict of Interest only if the appropriate governing board or committee decides that a Conflict of Interest exists.

3. **Fiduciary Responsibility:**

A person has a Fiduciary Responsibility for the AGIF-US and AGIF Organization(s) towards an organization or individual if, the following applies:

- a. A member occupies a position of special confidence to the AGIF-US OR AGIF Organization(s) or individual.
- b. A member holds in trust property in which another person has the beneficial title of interest, or who receives and controls the income of another.
- c. A member has a duty of loyalty or duty of care to the AGIF-US or AGIF Organization(s); by virtue of serving as an officer or director of the AGIF-US or AGIF Organization(s) or a position with similar responsibilities. A duty of loyalty requires the person to refrain from dealing with the AGIF-US or AGIF Organization(s) on behalf of a party having an interest adverse to the AGIF-US or AGIF Organization(s) and refrain from competing with the organization. A duty of care requires the person to discharge his or her duties in good faith and in a manner he or she reasonably believes to be in the best interests of the AGIF-US and AGIF Organization(s).

A Fiduciary Responsibility is not necessarily a Conflict of Interest. Under Article III, Section 2, a person who has a Fiduciary Responsibility may have a Conflict of Interest only if the board or appropriate committee decides that a Conflict of Interest exists.

A Conflict-of-Interest is present when, in the judgment of the Board of Directors, an insider's stake in the transaction is such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the AGIF-US or AGIF Organization(s)

Article III: Procedures:

1. **Duty to Disclose:**

In connection with any actual or possible Conflict-of-Interest, an interested person must disclose the existence of the 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, he/she 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, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or 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 the AGIF-US or AGIF Organization(s) 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 the AGIF-US or AGIF Organization(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 Conflicts 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.

Article IV: Records of Proceedings:

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

- a. 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 or committee's decision as to whether a Conflict of Interest in fact existed.
- b. The names of the persons who were present for the 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. The results will be forwarded to the State and National Offices.

Article V: Compensation:

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the AGIF-US or AGIF Organization(s) for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose authority includes compensation matters and who receives compensation, directly or indirectly, from the AGIF US or AGIF Organization(S) for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose authority includes compensation matters and who receives compensation, directly or indirectly, from the AGIF-US or a AGIF Organization(s), either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements:

Each director, principal 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 the AGIF-US and AGIF Organization(s) are charitable and in order to maintain their federal-tax exemption they must engage primarily in activities which accomplish one or more of their tax-exempt purposes.

All Annual Disclosure Statements shall be submitted to the Secretary of the AGIF-US and filed with the minutes of the first meeting of the Board of Directors held each year.

Article VII: Remedies:

Any director or officer who fails to comply with this Conflict-of-Interest Policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If a member or officer who is deemed to have substantial influence over the AGIF-US or AGIF Organization(s) fails to comply with this Conflict-of-Interest Policy, he or she may be put on notice or terminated, in the discretion of the Board of Directors. Any other officer or member who fails to comply with this Conflict-of-Interest Policy may be put on notice or terminated by the National Board of Directors.

Article VIII: Periodic Reviews:

To ensure the AGIF-US and AGIF Organization(s) operates at a manner consistent with charitable purposes and does not engage in activities that could jeopardize their tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall be in writing and at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether any grants are made to disqualified persons, or otherwise result in an excess benefit transaction.

- c. Whether arrangements with other organizations conform to the AGIF-US or AGIF Organization(s) applicable written policies, are properly recorded, and reflect reasonable payments for goods and services, if any, further the AGIF-US and AGIF Organization(s) charitable purposes and do not result in inurement or impermissible private benefits.
- d. The review shall consider the level of compliance with the Policy, the continuing suitability of the Policy, and whether the Policy should be modified and improved.

Article IX: Use of Outside Experts:

When conducting the periodic reviews, as provided for in Article VIII, the AGIF-US and AGIF Organization(s) may, but need not, use outside advisors. If outside experts are used their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

This Conflict of Interest Policy should be read and adhered to by all members of the AGIF-US and AGIF Organization(s).

Adopted by the National Board on this day ____ of April 2022.

Greg Nichols, National Secretary



American GI Forum of the United States Conflict-of-Interest Policy

ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT

The AGIF-US and AGIF Organization(s) follows a Conflict-of-Interest Policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering into a transaction or arrangement that might benefit the private interest of a commander, chairwoman, director, officer, or any of our members.

Part I. Acknowledgment of Receipt

I hereby acknowledge that I have received a copy of the Conflict-of-Interest Policy of the AGIF-US and AGIF Organizations and have read and understood it and agree to comply with its terms.

Member's Signature

Date

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Part II. Disclosure of Financial Interests:

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, we need each commander, chairwomen, youth chair, officer, director, and member to disclose the information requested in this Part II.

A "Conflict-of-Interest," for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

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Part II. Please check ONE of the following boxes:

My interests and relationships have not changed since my last disclosure of interests.
 [Proceed to signature block below. Do not complete the tables.]

OR

I hereby disclose or update my interests and relationships that could give rise to a Conflict-of-Interest: [Complete the table below. Use additional pages as needed.]

Family Relationships	Names of those presenting a potential Conflict of Interest
Include: spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses/domestic partners of brothers, sisters, children, grandchildren, and great grandchildren	

Type of Interest	Description of interest that could lead to a Conflict of Interest
Transactions or arrangements with the Organization	
Transactions or affiliations with other non-profit organizations	
Substantial business or investment holdings	
Transactions or affiliations with businesses not listed above	

I am not aware of any financial interest involving me or a family member that could present a Conflict-of-Interest that I have not disclosed either above or in a previous disclosure statement.

Member's Signature

Date

Printed Name