

LP - 4 NYSSCPA/FAE/MSF/CPA PAC Conflict of Interest Policy

The volunteer leaders and employees of the New York State Society of Certified Public Accountants (“NYSSCPA”), the Foundation for Accounting Education, Inc. (“FAE”), the Moynihan Scholarship Fund, Inc. (“MSF”), the NYSSCPA CPA PAC, Inc. (“PAC”), and affiliated companies (individually and collectively referred to as the “Society”) owe a duty of loyalty to the Society, which requires that they act, not in their personal interests or in the interests of others, but solely in the interests of the Society. Each volunteer leader and employee must place the interests of the Society foremost in any dealings involving the Society. Furthermore, each has a continuing responsibility to comply with the requirements of this policy throughout his or her period of service.

The volunteer leaders and employees may not use 1) their positions as leaders and employees, 2) information they have about the Society, or 3) Society property, in a manner that allows them to secure a pecuniary benefit for themselves or their Affiliated Organizations or Related Parties. Furthermore, the leadership and employees of the Society have an obligation to conduct business within guidelines that preclude actual and even potential conflicts of interest.

The purpose of this policy is to provide guidance so that volunteer leaders and employees can meet their duty of loyalty to the Society.

Definitions

Affiliated Organization. An Affiliated Organization is i) an entity over which the volunteer leader or employee has significant influence, and ii) an entity that has significant influence over the volunteer leader or employee.

Assembly. An Assembly is a deliberative group with the authority to take an action with the potential to bind the Society. Examples of assemblies include the NYSSCPA Board of Directors and Executive Committee, the FAE Board of Trustees, the MSF Board of Trustees, the PAC Board of Trustees, any Finance Committee, and other committees.

Conflict of Interest. An actual or potential Conflict of Interest occurs when a person identified in Group I or Group II (see below) is in a position to influence a decision that may result in a personal gain for that person or for a Related Party or Affiliated Organization (other than the Society), as a result of business dealings with the Society.

Group I. Individuals in Group I include the following:

- Chairpersons of NYSSCPA committees (other than those included in Group II)
- Chapter Executive Board members
- Any other assemblies or groups included in Group I by action of the NYSSCPA, FAE, MSF, or PAC boards.

Group II. Individuals in Group II include the following:

- NYSSCPA Board
- FAE Board
- MSF Board

- PAC Board
- NYSSCPA Audit Committee
- NYSSCPA and FAE Finance Committees
- MSF Scholarship Committee
- NYSSCPA and MSF Investment Committees
- FAE Curriculum Committee
- Volunteers authorized to sign NYSSCPA or FAE checks
- Employees
- Any other assemblies or groups included in Group II by action of the NYSSCPA or FAE governing body.

Presiding Officer. The Presiding Officer of the governing body of the NYSSCPA, FAE, MSF, NYSSCPA PAC, or affiliated company is the respective company's President or—if the President is not in attendance—the person chairing the meeting. The Presiding Officer of a committee or task force is the committee chairperson or acting chairperson.

Related Party. A Related Party means a person's spouse, spousal equivalent, parent, dependent, nondependent child, sibling, employer, employee, or business associate (including, without limitation, a partner, co-shareholder, co-owner, nonequity partner or the equivalent, owner or employee of an Affiliated Organization). Related parties also include any person whose relationship with the volunteer leader or employee could in any way affect the judgment of the volunteer leader or employee.

POLICY STATEMENT

I. Requirements to Serve

Group I Service. To qualify to serve as a member of Group I, individuals are required to 1) read this Conflict of Interest Policy; 2) acknowledge that they have read it; 3) agree to recuse themselves from any Society-related decisions in which they have a Conflict of Interest; and 4) on an annual basis, complete and sign the then-current NYSSCPA Board-approved Group I Conflict of Interest Disclosure Statement (Exhibit A).

Group II Service. To qualify to serve as a member of Group II, individuals are required to—

- read this Conflict of Interest Policy;
- acknowledge that they have read it;
- on an annual basis, complete and sign the then-current NYSSCPA Board-approved Group II Conflict of Interest Disclosure Statement (Exhibit B);
- in the case of volunteers, agree to notify the Presiding Officer of any actual or potential Conflicts of Interest that have arisen pertaining to the volunteer's Society-related activities, coming to the attention of such volunteer after completing the Group II Conflict of Interest Disclosure Statement
- in the case of employees, agree to notify the Executive Director or the NYSSCPA President of any actual or potential Conflicts of Interest that have arisen pertaining to the Society; and
- agree to abide by the decision of the applicable Assembly, or in the absence of such decision, the decision of the Presiding Officer of such Assembly, or, in the case of an employee, the decision of the Executive Director or the President, regarding the handling of any actual or potential Conflicts of Interest.

II. Addressing Conflicts of Interest of Group II

Conflicts of Interest of Board Members, Committee Members, Certain Volunteers, and Others.

In the case of Board Members, Committee Members, volunteers authorized to sign checks, and other assemblies or groups included in Group II by action of the NYSSCPA or FAE Boards, whenever such a member of Group II discloses the existence of a potential or actual Conflict of Interest, the applicable Presiding Officer will assess the seriousness of the Conflict of Interest and is empowered to—

- preclude the volunteer from:
 - participating in any Assembly discussion giving rise to the Conflict of Interest,
 - voting on any proposed motion relating to a matter giving rise to the Conflict of Interest, or
 - attending the meeting until the matter giving rise to the Conflict of Interest has been decided;

or

- ask the Assembly to determine the proper handling of the Conflict of Interest.

The decision of a Presiding Officer relating to the handling of a Conflict of Interest may be appealed by a disclosing volunteer to the applicable Assembly. If either the Presiding Officer or the disclosing volunteer is dissatisfied with the Assembly's decision, he or she may appeal the Assembly's decision to the NYSSCPA Board of Directors, which shall serve as a forum of last resort.

Conflicts of Interest of Employees. In the case of employees, the Executive Director or the President will determine how to address the Conflict of Interest, and such decision will be binding on the employee.

Reporting of Conflicts of Interest. Giving due regard to the disclosing party's right to privacy and professional responsibilities as to confidentiality, the Presiding Officer or the Executive Director shall report to the appropriate Assembly regarding Conflict of Interest disclosures. Such report shall be for information purposes, unless the Assembly is being called upon to take action in light of a Conflict of Interest disclosure. Any reporting and resulting discussion by an Assembly shall occur in an executive session.

III. Privacy

Except to the extent that disclosure to the President, the Executive Director, or a Group II Assembly is found to be necessary, all persons receiving a communication from a member or employee pursuant to this policy will maintain the confidentiality of all details disclosed pursuant to this policy. However, they will not maintain the confidentiality of their conclusion as to the existence of a Conflict of Interest.

Example. An NYSSCPA Board member is in a business venture with a person seeking to become the NYSSCPA's auditor. This business relationship violates the Board member's partnership agreement with his firm. If all these facts are disclosed to the President, he or she will ordinarily

only disclose to the Board his or her conclusion that a conflict exists. The President ordinarily will not disclose the Board member's dishonesty vis-à-vis his or her firm. Situations can arise, however, that could force more detailed disclosure, such as the member's appeal to the NYSSCPA Board of the President's decision that the member is conflicted out of participating in the Board's auditor selection or a court subpoena issued to the President by the member's firm.

IV. Further Guidance

Examples of the application of this policy are included in Exhibit C. In addition, members and employees seeking guidance regarding Conflicts of Interest are encouraged to discuss their situations with the NYSSCPA's in-house legal counsel. While the legal counsel will strive to maintain the confidentiality of these discussions, professional obligations he or she owes to the NYSSCPA may require disclosure to the Executive Director or President.

Approved: Society Executive Committee, February 12, 2020, Agenda Item EC20 – A – 1(i); FAE Board of Trustees, June 5, 2020, Agenda Item FB20 – C - 8; MSF Board of Trustees, April 30, 2020, Agenda Item MSFB20 – B – 1(b); PAC Board of Trustees, [____],[____].

Group I Conflict of Interest Disclosure Statement

To qualify for service as (Check all applicable)

- Chairperson of an NYSSCPA, FAE, MSF, or PAC Committee (other than those included in Group II of the NYSSCPA/FAE/MSF/PAC Conflict of Interest Policy)
- Member of a Chapter Executive Board
- Other (Please specify) _____

I declare that

1. I have read the NYSSCPA/FAE/MSF/PAC Conflict of Interest Policy (Approved by NYSSCPA Board on[____], and by FAE Board on[____]), by MSF Board on [____], and by PAC Board on [____], and

2. To the best of my information and belief, I, my Related Parties, and Affiliated Organizations have no relationships at present with the Society which could give rise to a Conflict of Interest other than the following:

3. I agree to recuse myself from any Society-, FAE-, MSF-, and/or PAC-related decisions in which I believe I might have a Conflict of Interest.

Signature

Date

Print Name

Note: Defined terms have the meaning given them in the Policy.

Group II Conflict of Interest Disclosure Statement

ALL ANSWERS ARE TO BE GIVEN TO THE BEST OF YOUR INFORMATION AND BELIEF.

THE NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS (“NYSSCPA”), THE FOUNDATION FOR ACCOUNTING EDUCATION, INC. (“FAE”), THE MOYNIHAN SCHOLARSHIP FUND, INC. (“MSF”), THE NYSSCPA CPA PAC, INC. (“PAC) AND ANY AFFILIATED COMPANY ARE INDIVIDUALLY AND COLLECTIVELY REFERRED TO HERE AS THE “SOCIETY.” Note: Defined terms have the meaning given them in the Policy.

I am submitting this disclosure statement to comply with the NYSSCPA Conflict of Interest Policy (the “Policy”). I recognize that am completing this form disclosing Conflicts of Interest and potential Conflicts of Interest that I have AND ALSO Conflicts of Interest and potential Conflicts of Interest that arise by virtue of “Related Parties” and “Affiliated Organizations” as such terms are defined in the Policy.

I am completing this disclosure statement to qualify for service as (check all applicable)

- | | |
|--|--|
| <input type="checkbox"/> NYSSCPA Board | <input type="checkbox"/> NYSSCPA or MSF Investment Committee |
| <input type="checkbox"/> FAE Board | <input type="checkbox"/> FAE Curriculum Committee |
| <input type="checkbox"/> PAC Board | <input type="checkbox"/> Volunteer check signer |
| <input type="checkbox"/> Audit Committee | <input type="checkbox"/> Employee |
| <input type="checkbox"/> NYSSCPA Finance Committee | <input type="checkbox"/> Other, specify: |
| <input type="checkbox"/> MSF Board | |

1. I declare that I have read and will abide by the NYSSCPA Conflict of Interest Policy (Approved by the NYSSCPA on [____], by FAE on [____], by MSF on [____], and by PAC on [____]).
2. NAME (please print) _____

3. Have you or any Related Parties or Affiliated Organizations provided compensated services or property to Society in the past year?

_____ YES _____ NO

If yes, please describe the nature of the services or property:

4. Have you or any Related Parties or Affiliated Organizations received a scholarship, grant, or other funding from MSF in the past year?

_____ YES _____ NO

If yes, please describe the nature of the funds:

5. With the exception of NYSSCPA membership and FAE courses at which you or a Related Party have been a paid attendee, have you or any Related Parties or Affiliated Organizations purchased services or property from the Society in the past year?

_____ YES _____ NO

If yes, please describe the purchased services or property:

6. Please indicate whether you or any Related Parties or Affiliated Organizations had, have, or will have any direct or indirect interest in any business transaction(s) in the past year to which the Society was or is a party?

_____YES _____NO

If yes, describe the transaction(s):

7. With the exceptions of your NYSSCPA membership dues, FAE courses for which you or a Related Party have registered and travel advances, were you or any Related Parties or Affiliated Organizations indebted to pay money to the Society at any time in the past year?

_____YES _____NO

If yes, please describe the indebtedness:

8. Other than travel reimbursements, in the past year, did you or any Related Parties or Affiliated Organizations receive, or become entitled to receive, directly or indirectly, any personal benefits from, or as a result of your relationship with, the Society that in the aggregate could be valued in excess of \$1,000?

_____YES _____NO

If yes, please describe the benefit:

9. Are you or any Related Parties or Affiliated Organizations a party to, or have an interest in, any pending legal proceedings involving the Society?

_____ YES _____ NO

If yes, please describe the proceeding(s):

10. Are you aware of any other events, transactions, arrangements or other situations that you believe should be examined by the NYSSCPA President or other Presiding Officer in accordance with the terms and intent of the Policy?

_____ YES _____ NO

If yes, please describe the situation(s):

I HEREBY CONFIRM that I have read and understand the Policy and that, to the best of my information and belief, my responses to the above questions are complete and correct.

Signature

Date

Examples of Conflicts of Interest

The following scenarios are examples of Conflicts of Interest covered by the LP – 4 NYSSCPA/FAE/MSF/CPA PAC Conflict of Interest Policy. THE EXAMPLES ARE NOT AN EXHAUSTIVE LIST, BUT MERELY SERVE AS ILLUSTRATIONS OF CONFLICTS THAT MUST BE DISCLOSED UNDER THIS POLICY.

Example 1. Mr. Smith is under consideration by the FAE president to replace an outgoing member of the FAE Board of Trustees, but unknown to the FAE President, Mr. Smith is a paid speaker at FAE events. Mr. Smith must disclose to the FAE President (or other Presiding Officer, if applicable) that he is receiving income from FAE and must either (1) agree to cease receiving pay to speak at FAE events during his term as a FAE trustee or (2) decline to serve as a FAE trustee.

Example 2. Ms. Jones is very active as a peer review team captain and has been elected to serve as a member of the Board from a chapter. A proposal has been included in the NYSSCPA Board agenda that the NYSSCPA Board should recommend a bylaw change that would require peer review of all Society members. Ms. Jones should inform the Presiding Officer for the Board meeting that she would stand to gain financially if the proposal is passed. The Presiding Officer should then determine if Ms. Jones will be permitted to participate in the discussion or vote on the matter. If Ms. Jones disagrees with the determination of the Presiding Officer, she may raise a parliamentary “question of privilege” appealing the Presiding Officer’s decision to be decided by the entire Assembly.

Example 3. Mr. Baker, a member of the NYSSCPA Executive Committee, is married to a partner in a company that owns a facility under consideration to be the location for the annual leadership conference. Mr. Baker should notify the Presiding Officer before the discussion begins on where to locate the leadership conference.

Example 4. Ms. Able’s firm has as an audit client a company seeking to manage a NYSSCPA/FAE trade show. Ms. Able, who is a member of the FAE Board of Trustees and NYSSCPA Board of Directors, should notify all applicable Presiding Officers before discussion begins on whether to hire the trade show manager.

Example 5. Mr. Cage’s daughter, Ms. Daughtry-Cage, has applied to the Moynihan Scholarship Fund for a scholarship. Mr. Cage is a Trustee on the Board of Moynihan Scholarship Fund, Inc. Mr. Cage should notify the Presiding Officer before the discussion begins regarding Ms. Daughtry-Cage’s application.

Example 6. Ms. Dodge is a professional lobbyist, working in Albany, NY. Her spouse, Ms. Eastwood, is a Trustee on the Board of CPA PAC. CPA PAC is considering retaining Ms. Dodge as a lobbyist on behalf of the PAC. Ms. Eastwood should notify the Presiding Officer before the discussion begins regarding whether to retain Ms. Dodge’s services.