



Conflict of Interest Policy

AMVETS DEPARTMENT OF ALABAMA SERVICE FOUNDATION, INC.

203 Martin Luther King Drive
Opp, Alabama 36467

11/21/2016

Preamble

The officers, board members and staff of the AMVETS Department of Alabama Service Foundation aspire to the highest level of ethical conduct in our work. The Foundation also values the knowledge gained from such individuals' involvement with other organizations. Inevitably, from time to time, such affiliations may create or appear to create conflicts with the individual's duty to the Foundation. To ensure that the Foundation's decisions are free of any conflicts or other inappropriate influences, the board has adopted the following policy concerning conflicts of interest and gifts.

In carrying out this policy, the Foundation relies on the good judgment and integrity of its officers, board members and staff. The Foundation encourages a culture of transparency in which such individuals fully and promptly disclose all affiliations, interests, and gifts of which they are aware that might present a conflict relating to a potential transaction, or might otherwise affect their objectivity. We ask that officers bring to the attention of their colleagues, and staff members to their supervisors' attention, all personal and professional interests or affiliations that might conflict with their duty to the Foundation. In situations where conflicts are uncertain, the Foundation encourages individuals to err on the side of disclosure.

Part I — Conflicts Of Interest

Application

This Policy is intended to cover any proposed grant, investment or other Foundation business transaction in which there is a conflict of interest.

A conflict of interest will be present if an individual knows that he/she or a related party has a material affiliation with or a material financial interest in the entity or with the individual involved in the transaction, or will otherwise benefit financially or derive a significant personal benefit as a result of the transaction.

The Foundation will not proceed with the following transactions in which a conflict of interest is present:

1. A grant to or for the benefit of an entity in which an officer or board members is the principal executive officer and the grant is material to the entity.
2. An investment or other transaction that will give rise to payment of fees, income, or profits to an officer, board member, staff or an entity in which any such individual has a material financial interest. This provision does not prevent an investment by the Foundation in an entity in which an officer, board member, or staff is also an investor if the board concludes after disclosure of relevant facts that such investment by the Foundation is in the best interests of the Foundation.
3. In all other transactions involving a conflict of interest, a disinterested decision-maker (officer, board member or the president, as the case may be) will determine whether proceeding with the transaction is in the best interests of the Foundation after considering all the facts and circumstances.

Disclosure

Officers, board members and staff will sign a disclosure form annually to:

1. Acknowledge that they have read this policy; and
2. Disclose the names of any organization of which they or a related party have or have had during the preceding three years a material affiliation or a material financial interest.

Such individuals will update the form whenever they acquire new affiliations or make changes to existing affiliations. Individuals are not required to make inquiries regarding affiliations or interests of any person who is not a household member.

In addition, individuals who have knowledge of any conflict of interest that has not previously been disclosed will notify the general counsel who will, in turn, inform the president or the chair of the board, as the case may be, so that appropriate action can be taken.

Officers and board members do not need to disclose the identity of clients to whom they provide professional services directly or through a firm or partnership unless they conclude that the services to the client constitute a material portion of the revenues of such professional services firm and disclosure would not violate any confidentiality obligations owing to such client.

Prior to any meeting or time in which a decision will be made on a grant or business transaction, the general counsel will provide a report indicating the existence of any conflicts of interest together with any facts or circumstances he/she deems relevant for consideration by the decision-maker.

Participation in Process

Officers, board members and staff who have a conflict of interest regarding a proposed grant or transaction should not vote on or approve the grant or transaction. In addition, a staff member should not work on the grant or transaction where the conflict is present and, unless asked by another officer or the president, an officer, board member or a staff member should not participate in formal or informal discussions of such grant or transaction.

The President or the Secretary, as the case may be, in consultation with the president and the general counsel, will determine whether an officer or board member with a material affiliation should also be excused from the meeting when the matter is being discussed.

The prohibition against participation in the grant process does not apply when an individual is affiliated with a grantee at the written request of the Foundation. Any such request must be made by the president in the case of a board member and approved by the secretary in the case of the president.

Record and Reporting

The Foundation will maintain a record of actions taken when there is a conflict of interest present with respect to any grant or transaction.

The general counsel will provide an annual report to the audit committee reflecting all transactions in which there was a conflict of interest and the actions taken.

Part II — Limitation on Acceptance of Gifts

General Rule Against Accepting Gifts

The Foundation discourages acceptance of gifts by officers, board members and staff or a related party to avoid a perception that Foundation business decisions could be influenced by such gifts. Gifts include anything of value, including, meals, loans, tickets for events, or other entertainment and payments to or for the benefit of an officers, board members and staff.

In limited circumstances, a reasonable gift may be accepted. In considering whether to accept a gift, officers, board members and staff should consult the guidance memorandum prepared by the general counsel related to this policy.

The Foundation may require that any employment-related gift be returned.

Gift Registry

Unless excused below, all gifts in excess of \$100 received as a representative of the Foundation should be reported to the general counsel who will keep a registry reflecting the nature of the gift and the approximate value and report annually to the audit committee on the registry.

Gifts required to be registered should generally be applied to the overall benefit of the Foundation to the extent practical. The following do not have to be reported:

1. Gifts valued at less than \$150 that are received as part of a broad-based promotion on the part of the donor and are made to similarly-situated persons at other organizations;
2. Reasonable meals provided by existing or prospective investment managers in connection with the due diligence trips of members of the investment department; and
3. Meals or other modest entertainment received while attending charity events.

Part III — Definitions

The words underlined in this policy have the following meanings:

A **related party** is a member of your immediate family (children, grandchildren, parents, siblings and spouses thereof, your spouse or significant other) and includes a household member. A **household member** means a person residing in your household.

An **entity** includes a corporation, partnership, limited liability company, trust, organization, coalition, commission, university or institute (including a school, department, center, committee, or research project within a university or institute).

The **principal executive officer** includes the executive head or co-head of an entity, including the principal investigator of a research project or the co-chair of a commission or other entity.

A **material affiliation** with an entity or individual exists when an officer, board member, staff, or a related party has any of the following types of relationships with the entity or individual:

1. Is an officer, board member or staff of the entity;
2. Is the owner of more than five percent (5%) of the ownership interest of the entity;
3. Is a lender to the entity;
4. Is a landlord to or tenant of the entity;
5. Has an ongoing contractual **relationship to provide goods or services that is significant** to the Foundation representative, a related party, or the entity or the individual to whom the goods or services are being provided; or
6. Is a blood relative of the individual.

A **material financial interest** with an entity exists when an officer, board member, staff or a related party:

1. Holds an ownership interest in excess of five percent (5%) of the total equity interest in such entity; or
2. Is a consultant or service provider to the entity and is paid an amount that exceeds five percent (5%) of his/her overall income or the overall income of a related party to such individual; or
3. Is a lender to the entity and such loans are more than five percent (5%) of the indebtedness of such entity.

A grant is material to an entity when the amount of the grant is in excess of five percent (5%) of the revenue of the entity.

Whether an officer, board member, staff or a related party derives a “**significant personal benefit**” or has a “**relationship to provide goods or services that is significant**” will depend on the facts and circumstances of each case, including an assessment of whether an objective person would consider the benefit capable of affecting the individual’s objectivity or independence.

Part IV — Interpretation

In interpreting all aspects of this policy, the Foundation will rely on a rule of reason guided by the policy and its underlying principles. Questions about the application and interpretation of this policy should be directed to the general counsel who is charged with making a determination whether a conflict of interest exists and recommending action to the president and/or secretary if the matter involves the president. If the matter involves the president, the general counsel will recommend action to the secretary; if the matter involves the general counsel, the president will make the determination in consultation with the secretary.