

Conflict of Interest Policy

This Conflict of Interest Policy, related forms and training programs are in effect for all Officers, Board members, committee members, directors or employees of the National Council of Juvenile and Family Court Judges and its related entities, which are designated as the National Council of Juvenile and Family Court Judges Fund, Inc. and the National Juvenile Court Foundation. Hereinafter, all references to NCJFCJ shall be inclusive of the three organizations named in this paragraph. All NCJFCJ employees and Board members are required to complete a Conflict of Interest Training within 30 days of date of hire or joining the Board. Officers, Board members, committee members, directors or employees are also responsible for reading the policy below, signing the Conflict of Interest Policy Acknowledgment Form and Disclosure Form, and returning them as directed. **As noted below, these forms must be signed annually and as necessary.**

Article I. Purpose

The purpose of the Conflict of Interest Policy is to protect the NCJFCJ's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer, Board member, committee member, director or employee of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

No Officer, Board member, committee member, director or employee of the NCJFCJ shall participate personally through decisions, approvals, disapprovals, recommendations, or other actions in any circumstance or particular matter involving the expenditure of grant or contract funds where, to his or her knowledge, he or she, his or her immediate family, business partners, or organizations other than the NCJFCJ in which he or she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom the employee is negotiating or has any arrangement concerning prospective employment, has an apparent or actual financial interest in the transaction.

This policy is also intended to cover potential conflicts of interest in hiring or entering into contracts on behalf of the organization where any Officer, Board member, committee member, director or employee of the NCJFCJ may have an apparent or actual personal interest in the outcome of the hiring or contracting decision; and potential conflicts of interest arising from employment or ownership of competing entities.

If such circumstances arise involving an employee, the employee shall, at a minimum, promptly notify the Chief Executive Officer and shall immediately recuse himself or herself from participating in any way in the transaction. The Chief Executive Officer shall make the determination as to whether in any given situation recusal will be sufficient to mitigate the apparent or actual conflict of interest. In the case of an apparent or actual conflict of interest involving the Chief Executive Officer, such determinations will be made by the President of the NCJFCJ.

In the case of an apparent or actual conflict of interest involving Officers, Board members, or committee members, such determinations will be made by the Audit Committee or National Council Conduct Committee, depending upon the nature of the conflict.

In addition, in the use of grant or contract funds, interested persons should avoid even the appearance of:

- Using his or her position for private gain;
- Giving preferential treatment to any person;
- Losing complete independence or impartiality;
- Making decisions outside normal administrative procedures; or,
- Adversely affecting the confidence of the public in the integrity of the NCJFCJ and its programs.

The Audit Committee shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing, and shall be immediately notified of any such complaint. Interested persons are encouraged to report any concerns they may have relating to the above situations to the Chief Executive Officer or the Audit Committee.

All individuals within the organization, including Officers, Board members, committee members, directors, and employees will be required to sign a Conflict of Interest Policy Acknowledgment Form and Disclosure Form annually and as required through the year. Additionally, all real or perceived conflicts of interest will be brought to the attention of the level of authority as designated above for consideration, resolution and direction.

Article II. Family and Personal Workplace Relationships

It is prohibited for relatives to occupy positions in which one supervises the other or is in a position to exert direct influence on the appointment (including temporary), promotion, transfer, pay or discipline of the other. For purposes of this rule, “relative” includes:

- one’s husband, wife, son, daughter, mother, father, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, stepparent, or stepchild;
- an individual residing in the same household as the employee; or
- an individual sharing a committed, personal relationship with an employee.

If a transfer or termination is required to comply with this rule, the employees affected shall determine who shall transfer or resign and shall complete the action within 90 calendar days from the date the violation of this rule began or was discovered, whichever is later. If the affected employees fail to address the situation within the 90 calendar days, the administrative authority shall work with the affected employees to resolve the situation in the best interest of the department and NCJFCJ.

Article III. Definitions

1. Interested Person

Any Officer, Board member, director, employee, or member of a committee with governing Board delegated powers, is an interested person.

2. Financial Interest

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

- a. An ownership or investment interest in any entity with which the organization has a transaction or arrangement;
- b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, including him or herself; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate authority decides that a conflict of interest exists.

A voting member of any NCJFCJ committee who receives compensation from the organization for services, directly or indirectly, is precluded from voting on matters pertaining to that member's compensation, and is prohibited from membership on any committee regarding compensation matters and from providing information to such committees. No judge is prohibited from providing information to any committee regarding judicial compensation.

3. Other Interest

This policy is also intended to cover potential conflicts of interest in hiring or entering into contracts on behalf of the organization where any Officer, Board member, committee member, director or employee of the NCJFCJ may have a perceived or actual personal interest in the outcome of the hiring or contracting decision.

This policy is also intended to cover potential conflicts of interest arising from dual employment with or ownership of businesses or organizations that directly compete with the work of the NCJFCJ.

Article IV. 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 appropriate authority.

2. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation to the appropriate authority, 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 appropriate authority may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

- c. After exercising due diligence, the appropriate authority shall determine whether the organization 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 appropriate authority shall determine, by a majority vote where applicable, whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination a decision will be made as to whether to enter into the transaction or arrangement.

3. Violations of the Conflicts of Interest Policy

- a. If the appropriate authority has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the appropriate authority determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article V. Records of Proceedings

Records shall be kept of all deliberations of the appropriate authority, and 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 appropriate authority's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for 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.

Article VI. Annual Statements

Each Officer, Board member, director, employee, or member of a committee with governing Board delegated powers shall annually sign a statement, (Conflict of Interest Policy Acknowledgment Form) which affirms such person:

- a. Has received a copy of the Conflict of Interest policy;
- b. Has read and understands the Policy;
- c. Has agreed to comply with the Policy; and
- d. Understands the organization 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.

Each interested person shall also complete a Conflict of Interest Disclosure Form annually and as necessary throughout the year, indicating whether he or she has or knows of any possible or perceived conflicts to be considered by the appropriate authority.

Article VII. Periodic Reviews

To ensure the organization 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. The 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 partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

(Adopted January 12, 2007; Revised October 1, 2007; Revised March 15, 2009 at the Board of Trustees Meeting, Orlando, FL; revised and adopted at the Mid-Winter Meeting Board of Trustees, January 2010, Pittsburgh, PA; revised and adopted July 17, 2010 at the Board of Trustees Meeting, San Diego, CA; revised July 23, 2011 at the Board of Trustees Meeting, New York, NY.)