

**National Society Descendants of American Farmers
NSDOAF**

CONFLICT OF INTEREST/CODE OF ORGANIZATIONAL CONDUCT

SECTION 1. PURPOSE:

The National Society Descendants of American Farmers (known hereafter as NSDOAF) is a not for profit, tax-exempt organization. Maintenance of its tax-exempt status is important for both continued financial stability, public and member support. Therefore, the Internal Revenue Service, as well as other regulatory agencies, tax officials and other stakeholders view the policy and operations of the NSDOAF as a public trust, which is subject to scrutiny by and accountable to such authorities as well as its constituents.

Consequently, there does exist between NSDOAF and its officers, committee chairmen, executive committee members, patriot fund trustees, perpetual fund trustees, committee members and the general public a fiduciary duty that carries with it a broad and clear duty of fidelity and loyalty. The officers, committee chairmen, executive committee members, patriot fund trustees, perpetual fund trustees, and committee members have the responsibility to administer the affairs in an honest and prudent manner, exercising the best skill, abilities and judgment for the sole benefit of the NSDOAF. Those persons who serve in leadership capacities shall exercise good faith in all matters and transactions and shall refrain from practices that allow personal gain or benefit due to knowledge or influence. The interest of the NSDOAF shall be the priority in all decision and actions.

SECTION 2. PERSONS CONCERNED:

This code and statement is intended for all officers, committee chairmen, executive board members, and others as so determined by the executive board of NSDOAF. All persons who may influence decisions of NSDOAF may be added at any time.

SECTION 3. AREAS OF POTENTIAL CONFLICT:

Conflicts may arise in relations to officers, committee chairmen, and executive board members, with any of the following third parties:

1. Persons and firms supplying goods and services to NSDOAF.
2. Persons and firms from whom NSDOAF leases property or equipment.
3. Persons and firms with whom NSDOAF is maintaining or plans to maintain a business relationship that involves the sale of real estate, securities, or other property.
4. Other organizations.
5. Donors and others supporting NSDOAF.
6. Agencies, organizations, and associations that affect the operations of NSDOAF.
7. Family members, close associates and other employees.

SECTION 4. NATURE OF CONFLICT OF INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any person or firms mentioned in Section 3. Such interest may arise from the following activities:

1. Owning stock or holding debt or other proprietary interest in a third party dealing with NSDOAF.

2. Holding office, serving on the board, participation in management, or being otherwise employed or previously employed with any third party who conducts business or intends to conduct business with NSDOAF.
3. Receiving remuneration for services with respect to individual transactions involving NSDOAF.
4. Using the time, personnel, equipment, good will or other resources of NSDOAF for activities other than approved activities, programs, and functions.
5. Receiving personal gifts, professional opportunities or loans from third-party vendors conducting business or intending to conduct business with NSDOAF. Receipt of any gift of cash is prohibited. Gifts with a value of less than \$25 (twenty-five dollars) may be accepted only if the acceptance avoids a discourtesy.

SECTION 5. INTERPRETATION OF POLICY:

The areas of conflicting interest listed in Sections 3 and 4 are examples of potential conflicts and may be expanded as situations dictate. All persons who serve in leadership and critical areas of NSDOAF shall use best judgment to determine any possible conflicts. The NSDOAF Compliance Officer shall be consulted on any question of this policy.

Persons in leadership positions of NSDOAF shall disclose any potential conflict before transactions are consummated. The leadership shall scrutinize all transactions and disclose any activities that are, or have the appearance of, a conflict to the board of managers immediately upon knowledge of such activities.

This policy, once enacted, shall be mandatory for all affected members. Any change of the policy will require a two-thirds affirmative vote of the executive committee and a two-thirds affirmative vote of the board of managers of NSDOAF. Such vote will occur at a called meeting of the executive committee and board of managers.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may only be undertaken when all four (4) stipulations are met:

The conflict of interest is fully disclosed.

The person with the conflict refrains from discussion and approval of such transaction.

A competitive bid or comparable valuation exists.

The leadership, executive committee, board of managers, or duly constituted committee determines that the transaction serves the best interest of NSDOAF.

Disclosure shall be made to the NSDOAF President National (NSDOAF First Vice President if the NSDOAF President National is the person in conflict) and the NSDOAF Compliance Officer who shall bring the matter to the Executive Board for discussion and resolution. Disclosures that involve Executive Board members shall be made to the NSDOAF President and NSDOAF Compliance Officer.

The duly constituted committee shall determine whether a conflict exists. Further, the constituted body shall determine in a fair, just, and reasonable manner if the approval of such transaction with the disclosed conflict best serves the interest and mission of NSDOAF.

A NSDOAF Conflict of Interest Statement must be signed each year by all officers, committee chairmen, executive board members, and others as so determined by the executive board of NSDOAF.