



AMERICAN CANOE ASSOCIATION (ACA)

POLICY TYPE: *Ethics and Conduct*

POLICY NUMBER: *ENC-002*

POLICY TITLE: *Conflict of Interest*

REVISION: 3

ORIGINAL: 4/17/2013

DRAFT:

REVISED: 9/7/2022

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*The legal definition of conflict of interest, usually set out in state laws governing non-profit corporations, is very specific, and covers relatively few situations. Most conflicts fall into a gray area where ethics and public perception are more relevant than statutes or precedents. Conflict of interest arises whenever the personal or professional interests of a decisionmaker are potentially at odds with the best interests of the Association. Loss of public confidence and a damaged reputation are the most likely results of a poorly managed conflict of interest.*

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### **Purpose**

The purpose of this policy is to protect the interests of the American Canoe Association (“Association” or “ACA”), its affiliates and members whenever the ACA is contemplating entering into a transaction or arrangement that might benefit the private interest of a decisionmaker (officer, Board member, division officer, employee, etc.) of the ACA.

This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit organizations that generally pertain to financial conflicts contributing to personal aggrandizement.

Conflicts of interest are inevitable, and most are not inherently improper if properly disclosed, reviewed and the conflicted individual removed or recused from the decision-processes pertinent to the situation(s), transaction(s) and/or person(s) of conflict.

### **Policy**

Decisionmakers of the Association have a responsibility to avoid both actual and perceived conflicts of interest in the course of their decision making roles. These persons:

- Have a duty to act in the best interest of the organization and to perform their duties honestly, responsibly and in good faith,

- Should not use their position with the organization for personal gain and should exercise particular care so that no detriment to the organization results from conflicts between the individual's interests and those of the organization,
- Are to annually review this policy regarding their personal commitments and disclose any known relationships/transactions as defined in this policy, and
- Have a duty to remove or recuse themselves from the decision making process when topics arise where conflict or perceived conflict exists regardless of whether formal disclosure has taken place.

Should any Board member, division officer, committee member, or ACA employee become aware of any undisclosed conflict of interest, or any conflict of interest not fully disclosed, such person should make full disclosure of their knowledge of the conflict of interest involved to the Executive Director and his/her proxy such as the Compliance Manager.

The Executive Director or his/her proxy will review potential conflicts and prescribe necessary steps to be taken by the decisionmaker and the organization to mitigate any risks associated with a conflict. If the conflicted person is a member of the Board of Directors, then the Executive Director will share this information directly and immediately with the Board of Directors and will request that the member recuse himself or herself from the review.

#### **Parties Required to Disclose:**

On an annual basis all decisionmakers, including all members of the Board of Directors and employees of the Association shall review this policy and complete the Conflict of Interest Questionnaire ("COIQ") and, if applicable, the Conflict of Interest Disclosure Form ("COIDF").

All candidates for elected office shall review this policy and complete a COIQ and COIDF immediately upon acceptance of their nomination and return it to the Chair of the Nominating Committee with a copy to the Executive Director and his/her proxy, such as the Compliance Manager, for review and disposition.

All new appointees and new hires to decision making positions shall review this policy and complete a new or updated conflict of Interest Questionnaire and/or Disclosure form within 30 days of taking a position.

Decisionmakers who are responsible for the creation or enforcement of selection procedures as well as panels empowered to resolve grievances must review and complete the COIQ and, if applicable, the COIDF. If the individual has already completed a form, then they are to review the questionnaire and disclosure form and ensure there has been no change in status.

Should their personal situation change, decisionmakers are required within 30 days of such change to obtain, complete, and submit an updated Conflict of Interest Disclosure form.

All COIQ and COIDF shall be submitted to the Executive Director and his/her proxy, such as the Compliance Manager. One of these persons will conduct a preliminary review of the COIQs and COIDFs to determine which parties have disclosed conflicts of interest and which parties have not.

#### **Review Process:**

The ACA's Board of Directors is ultimately responsible for determining the existence and extent of a decisionmaker's conflict of interest and its potential impact on the Association, its governance and on deliberation over associated transactions and arrangements. If an Ethics Committee has been established, the Board may choose to delegate the responsibility for maintaining this policy and reviewing and managing disclosed conflicts of interest to the Ethics Committee.

In the absence of a formal Ethics Committee, all duties (other than the initial disclosure review conducted by the ED and his/her proxy) related to members of the Board of Directors' disclosures shall be completed by the Board of Directors. All duties related to other decisionmakers shall be completed by the Executive Director and his/her proxy such as the Compliance Manager. Please note: for the purposes of this policy, any reference to the Ethics Committee is only applicable if a formal Ethics Committee exists. Otherwise, the term refers to (1) the Board of Directors for Board member and Executive Director disclosures, or (2) the Executive Director or his/her proxy for all other decisionmaker disclosures.

The Ethics Committee will annually review all Disclosure responses to determine the possibility, existence, and impact of conflicts of interest. For Board Members and the Executive Director, the Ethics Committee or Executive Director will provide a summary report to the Board of Directors along with recommendations for addressing potential conflicts (such as removal from deliberation, recusal from voting or other actions).

Should the Ethics Committee, Board of Directors, or Executive Director wish to further investigate any significant instances, the decisionmaker shall provide full details to the Ethics Committee, Board of Directors or Executive Director describing all of the material facts involved with significant transactions, including a full disclosure of any and all benefits that the decisionmaker may have in such transactions. The reviewers may use outside experts if it feels those are prudent in the conduct of its investigations.

For any instance where a significant issue conflict of interest is encountered, the Ethics Committee, Executive Director and Board of Directors shall make (where appropriate, confidential) a decision to either maintain and advise, alter and advise, or restructure the relationship, taking into consideration the best interests of the Association.

#### Board Actions

Where appropriate, the Executive Director may escalate concerns regarding any decisionmaker's conflicts of interest by notifying the President and Secretary of the BOD. The President will decide, in his or her sole discretion, when to bring such matters to the attention of the full Board for their review, discussion, and disposition.

Where appropriate, the Board may meet in closed session to review specific instances of significant conflict. The decisionmaker involved may be present to offer information and rebuttal, but no Board member involved in an instance of significant conflict shall contribute to deliberation or decisions in their own or others conflict of interest.

Issues of significant conflict shall be decided in terms of maintaining the relationship with advice, modifying the relationship, restructuring the relationship, or removing the conflict. The affected decisionmaker shall have the opportunity to make rebuttal and have input into this decision.

#### Violations of Policy

If the Board develops reasonable cause to believe that a decisionmaker has failed to disclose actual or perceived conflicts of interests, it shall inform the person of the basis of such belief and afford the person an opportunity to explain the alleged failure to disclose.

If an instance of conflict arises during a Board or division, council or committee meeting the following procedure should be followed:

- a. Any participant may bring a "point-of-order" motion if they believe that another participant is deliberating or voting on an issue that would constitute a conflict of interest.
- b. The person chairing the meeting (i.e. the President in the case of a Board meeting) shall offer the questioned member the opportunity to rebut the potential conflict. The chairperson may offer the member the opportunity to voluntarily recuse him or herself. Failing this the chairperson shall rule if the member may advise or vote on the issue.
- c. If the chairperson rules that the member will not vote, that participant may bring an "appeal" motion. This motion does not require a second.
- d. The full meeting or a quorum thereof shall, by a majority vote, decide whether the perceived conflict is such that the participant in question must remove or recuse themselves from deliberation and voting.

Issues of significant conflict of interest that cannot be resolved through above procedures by the Ethics Committee and Board and any issues that involve apparent violations of prevailing Nonprofit law shall be referred to outside legal counsel.

#### Examples of Conflict

- A conflict of interest may exist if a coach has a relationship with an athlete that is outside of the normal coach-athlete relationship. This would include friendships and individuals who interact with each other outside of the scope of the ACA.
- A conflict of interest may exist if a member of the Board of Directors has a family member who could benefit directly from a decision made by the Board.

#### Record Keeping

The Board, divisions, councils and committees of the ACA shall keep records of its meetings, especially where decisions are taken affecting the Association. These records shall include records of removal or recusal in cases of conflict of interest, especially any instance where perceived conflict of interest is deliberated and decided and shall include the names and positions of any members, officers or staff that are found to have perceived or real conflict of interest.

All such instances shall be reported to the Board.

#### ACA-Specific Definitions:

##### Business Transactions:

Business transactions include but are not limited to contracts of sale, lease, license and performance of services, whether initiated during the ACA's tax year or ongoing from a prior year.

##### Conflict of Interest:

This is a situation in which a person has a duty to more than one person or organization but cannot do justice to the actual or potentially adverse interests of both parties.

Generally, a conflict of interest exists when the decisionmaker in question has:

- The potential for personal gain or involvement (including gain or involvement of a member of their family);
- Is involved in a decision between ACA and another organization in which the

decisionmaker substantially participates;

- Is involved in a relationship (commercial or otherwise) that impacts the decision-maker's ability to be objective in their work on behalf of the ACA.

#### Conflict of Interest Questionnaire:

This is a form that through detailed questions determines if a decision maker has potential conflict of interest. As-such, it helps train the decisionmaker in what constitutes a conflict of interest. All new decisionmakers and any that are unsure of their conflict of interest status should complete a questionnaire.

#### Conflict of Interest Disclosure:

This is a form that allows decisionmakers to communicate that they have no conflict of interest or, to communicate areas where conflict of interest lies. Decisionmakers should complete a disclosure form as indicated by the questionnaire, on request, or any time their conflict of interest status changes.

#### Duality of Interest:

A duality of interest exists when any decisionmaker owes allegiance to both the ACA and another organization that interacts with the ACA. An example might be an organization seeking to request a grant from the ACA.

Such affiliation exists if the decisionmaker is a director, trustee, officer, or employee of that organization, or even if the decisionmaker has an unofficial role such as significant donor, volunteer, advocate, or advisor.

#### Decisionmaker:

Potentially any Board member, liaison member, division officer, or members of a council or committee with Board- delegated powers, such as:

- Board President,
- Other elected officers,
- Board members,
- Division officers and Board members,
- Members of committees with Board or division-delegated authority,
- Other volunteers with Board-delegated authority,
- Employees
- Task force members
- Hearing panel members

#### Excess Benefit Transaction

An excess benefit transaction is where the ACA directly or indirectly provided an economic benefit where the value of the benefit exceeds the values of the

consideration received by the ACA.

Family Member:

A decisionmaker's spouse, brothers and sisters, children, grandchildren, great grandchildren and spouses of brothers, sisters, children, grandchildren and great grandchildren.

Financial Interest:

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

- An ownership of 5% or more or investment interest in any entity with which the ACA has a transaction or arrangement; or
- A compensation arrangement with the ACA or with any entity or individual with which the ACA has a transaction or arrangement; or
- A potential ownership of 5% or more or investment interest in, or compensation arrangement with, any entity or individual with which the ACA is negotiating a transaction or arrangement.
- An ownership of 5% or more or an investment interest in a paddle sports related business.

Investment Interest:

A decisionmaker has an Investment Interest if the decisionmaker owns stocks or marketable securities in excess of \$10,000.00 in a paddle sports related business.

Key Employee:

A key employee is defined as a paid individual or subcontractor with significant influence or authority within the entity or organization.

Paddle Sports-Related Business:

A paddle sports related business includes but is not limited to paddle sport outfitter operations; paddle sport equipment manufacturing, distribution, and sales; and paddle sport instruction for hire.

Substantial Contributor

In general, a person that contributed or bequeathed an aggregate amount in *excess* of \$5000.00 before the close of the ACA tax year would be a substantial contributor. The creator of a trust is also deemed a substantial contributor with respect to the trust.

**Anti-retaliation:**

The ACA has zero tolerance for retaliation against people who make good faith reports of potential ethical, policy, or legal violations, or who cooperate with investigations of those reports. That means no ACA staff, Board/Committee member, or volunteer may threaten, harass, discriminate against, or take any negative

action (e.g., discharge, demotion, suspension, negative review) on that basis. All parties receiving a complaint are to follow the ACA's anti-retaliation procedures

Revisions:

Revisions to this policy shall be completed by Board Executive Committee with support of the Executive Director and approved by the National Board of Directors. All revisions must *be* consistent with the prevailing code and ACA Bylaws. The Board Secretary shall maintain a history of revisions for this document.

History of Changes		
Rev	Description of Change(s)	Date
00	Original Document	Unk.
1	Major Revision a. Adjusted content to new format (change tracking) b. Updated questionnaire form c. Added new disclosure form d. Updated definitions e. Added detail for dispositioning significant conflict f. Updated content from web sources & reconciled g. Confirm expanded definition of "decisionmaker" h. Created separate tracking for forms update i. Reconciled content with update to Bylaws	4/17/2013
2	Revisions a. Expand applicability to all staff members b. Add anti-retaliation statement c. Addition of examples of conflicts	3/15/2022
3	Minor changes to review processes to document role of ED and his/her proxy	9/7/2022

Individuals Responsible for Policy and enforcement:

- Executive Director: Beth Spilman, [bspilman@americancanoe.org](mailto:bspilman@americancanoe.org)
- Chair of the Board of Directors: Robin Pope, [robinpope3@hotmail.com](mailto:robinpope3@hotmail.com)

External Resources:

- Athlete Ombudsman: [ombudsman@usathlete.org](mailto:ombudsman@usathlete.org)

Attachments:

1. Form ENC-002A: ACA Conflict of Interest Questionnaire
2. Form ENC-002B: ACA Conflict of Interest Disclosure Statement

References:

1. ACA Bylaws, Revision 2013 • proposed ARTICLE XI. CONFLICT OF INTEREST
2. Sample Conflict of Interest Policy, [www.BoardSource.org](http://www.BoardSource.org)



Form ENC-002A Rev-1



# American Canoe Association

## Conflict of Interest Questionnaire

Name (print): \_\_\_\_\_ Date: \_\_\_\_\_

Area/Level:     \_ Board \_   Activity Committee \_ Council \_   Division \_   Staff \_   Other

Position/ Job Title:

Question (please complete all)	Yes	No
1. Do you have a financial or investment interest, direct or indirect, in a paddle sports related business or any other business that conducts business with the ACA?		
2. Do you have any family members with a financial or investment interest, direct or indirect, in a paddle sports related business or any other business that conducts business with the ACA?		
3. Are you a key employee of a paddle sports related business or any other business that conducts business with the ACA?		
4. Do you have any family members that are key employees of a paddle sports related business or any other business that conducts business with the ACA?		
5. Do you in combination with other decisionmakers have a financial or investment Interest in a paddle sports related business or any other business that conducts business with the ACA?		
6. Do you have a family member that in combination with other decisionmakers has a Financial or Investment Interest in a paddle sports related business or any other business that conducts business with the ACA?		
7. Do you serve as an officer, director, or trustee of an entity (or a shareholder of a professional corporation) that does business with the ACA?		
8. Do you have a family member that serves as an officer, director, or trustee of an entity (or a shareholder of a professional corporation) that does business with the ACA?		
9. Are you or a family member a substantial contributor to the ACA?		
10. Do you or a family member have a trust, escrow, or custodial arrangement with the ACA?		
11. Are you a Director, Officer or influential staff member, or influential committee member of any other outdoor organizations that have a primary or major interest in paddlesports?		

12. Is a member of your family a Director, Officer or influential staff member, or influential committee member of any other outdoor organizations that have a primary or major interest in paddlesports?		
13. Are you or a family member part of a selection committee for an entity that grants money to the ACA?		
14. Do you or a family member receive grants or other assistance from the ACA?		
15. Do you or a family member have a Financial Interest or Investment Interest in an entity that receives grants from the ACA?		
16. Are you aware of any excess benefit transactions to report?		
17. Do you have any personal commitments that might interfere or otherwise compromise your ability to fully and loyally discharge the duties of your position with the ACA?		
18. Are you the parent, grandparent, or sibling of an athlete who is currently competing on a team affiliated with the ACA including a club team or the US National Team, in any ICF discipline?		

If you hold a position of responsibility with the American Canoe Association and have answered "yes" to any of the above questions then you must immediately request and complete the ACA Conflict of Interest Disclosure Form where you will be asked to provide details of areas of potential conflict of interest.

Conflict of Interest does not necessarily prohibit you from holding a position of responsibility. ACA Policy does require that you remove or recuse yourself from deliberating or making decisions or voting in areas where real or perceived conflicts may arise.

PLEASE INITIAL:

I certify that the information I have provided above is complete and accurate

and that:

\_\_\_\_\_ I have received a copy of the conflict of interest policy;

\_\_\_\_\_ I have read and understand the policy;

\_\_\_\_\_ I have agreed to comply with the policy;

\_\_\_\_\_ I have completed the Conflict of Interest Questionnaire completely and truthfully

\_\_\_\_\_ I have no areas of perceived or real conflict of interest OR

\_\_\_\_\_ I have areas of perceived or real conflict of interest and need to complete the Disclosure Form

If there is any material change that develops in the information contained in the foregoing statement, I will promptly inform the President of the Board or the Executive Committee.

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Signature

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Date

