

Professional Association of Foreign Service Officers CONFLICT OF INTEREST POLICY

1. Purpose & Application

The purpose of this Conflict of Interest Policy is to protect the integrity of the Professional Association of Foreign Service Officers (PAFSO) when it is contemplating entering into a transaction, contract, decision or other activity that might benefit the private interest of a member of the Executive Committee (ExCom), staff member, contractor or volunteer committee member.

2. Definition of Conflict

A conflict of interest arises when an accountable person has a **direct or indirect material interest** in an actual or proposed contract, transaction, or other activity with PAFSO.

- **Direct Interest:** occurs when the individual themselves stands to gain a financial or personal benefit.
- **Indirect Interest:** occurs when the individual is a director, officer, shareholder, or partner in an entity or business that is dealing with PAFSO, or when their family member/close associate benefits.
- **Materiality:** an interest is considered "material" if the President, Governance Committee and/or ExCom as a whole deems it significant enough to reasonably influence, or appear to influence, the objective judgment or fiduciary duty of the individual.

3. Disclosure Procedures

When a conflict or potential conflict arises:

1. **Immediate Notice:** the interested individual should disclose the nature and full extent of the interest to the ExCom, immediately upon becoming aware of it. If the individual is not sure if a situation requires disclosure, they can seek guidance from the President, Chair of the Governance Committee and/or the Executive Director. The individual may be invited to address the Governance Committee to discuss the issue prior to the next ExCom meeting.
2. **Timing:** disclosure to ExCom must occur at the first meeting where the contract or transaction is considered, or at the first meeting after the individual becomes conflicted. The Chair shall call for any such declarations before the agenda is adopted. In general, individuals should err on the side of caution in disclosing possible conflicts.
3. **Form:** the disclosure must be formally recorded in writing or entered directly into the official minutes of the meeting.
4. **Reports by outside parties:** if PAFSO receives a serious and credible report of a possible material conflict of interest, the President and/or Chair of the Governance Committee shall bring the issue to the attention of the potentially interested party and take reasonable measures to investigate. These measures could include asking both the interested and reporting parties to meet with the Governance Committee and/or, depending on the seriousness of the concerns, engaging an outside consultant. In the interim, while the investigation is taking place, the interested party should recuse themselves from discussions and decisions on the issue.

4. Meeting Protocol & Recusal Rules

Once a conflict is disclosed, and determined to be material, the individual should leave the room and refrain from participating in any discussions or votes on the subject.

5. Documentation

The official minutes of the ExCom meeting will document the specific declaration of the conflict, the nature and extent of the interest, the recusal of the conflicted party, and the outcome of any relevant vote.

6. Annual Declaration

The President shall ask each member of ExCom to confirm the existence or non-existence of any known conflicts of interest at the first meeting after the AGM. This information shall be documented in the minutes and updated each year. Members who are unable to attend the relevant meeting shall submit their declarations in writing.

Approved by ExCom October 2024

ANNUAL CONFLICT OF INTEREST DECLARATION FORM

For the Fiscal Year: 2026 / 2027

Please complete, sign, and return this form to the Executive Director, the Governance Committee Chair, or their delegate.

Name of Board Member/Officer: _____

Current Outside Employer/Position: _____

1. Outside Affiliations & Board Roles

List any corporations, business enterprises, partnerships, or other nonprofit organizations where you or an immediate family member serve as a director, officer, partner, employee, or major shareholder, which could interact or compete with this Organization.

2. Financial or Material Interests

List any ongoing or proposed contracts, business transactions, or arrangements where you or a family member have a direct or indirect financial interest that involves this Organization.

3. Acknowledgment & Signature

By signing below, I certify that I have read, understood, and agree to abide by the Conflict of Interest Policy of the Organization. I confirm that the disclosures made above are accurate and complete to the best of my knowledge. I agree to immediately update this disclosure if any new conflicts arise during the year.

Signature

Date