

The Financial Planning Association Conflict of Interest Policy

The directors, officers, committee chairs, and members of committees with board delegated powers (“FPA Leaders”) of The Financial Planning Association (“FPA”) have a duty of loyalty to FPA and therefore must act at all times in the best interests of FPA and not for personal or third-party gain or financial enrichment.

Specifically, FPA Leaders shall:

- not place (and shall avoid the appearance of placing) one’s own self-interest or any third-party interest above that of FPA. While the receipt of incidental personal or third-party benefit may necessarily flow from certain FPA activities, such benefit must be merely incidental to the primary benefit to FPA and its purposes;
- not abuse their position by improperly using their leadership position or FPA’s staff, services, equipment, materials, resources, or property for their personal or third-party gain or pleasure, and shall not represent to third parties that their authority as an FPA Leader extends any further than that which it actually extends;
- not engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect FPA. Engaging in professional or other activities is deemed to include serving on the Board or committee of another association in the financial services industry;
- not persuade or attempt to persuade any employee of FPA to leave the employ of FPA or to become employed by any person or entity other than FPA;
- not persuade or attempt to persuade any member, exhibitor, advertiser, sponsor, subscriber, supplier, contractor, or any other person or entity with an actual or potential relationship to or with FPA to terminate, curtail or not enter into its relationship to or with FPA, or to in any way reduce the monetary or other benefits to FPA of such relationship; and
- not serve on any FPA chapter board or committee, or in any FPA chapter leadership position, while serving on the FPA National Board.

In addition, the duty of loyalty requires that FPA Leaders abide by this Conflict of Interest Policy (the “Policy”) which sets forth the procedures applicable to the identification and resolution of conflicts of interest. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

A. Definitions

1. Conflict of Interest

For purposes of this Policy, the term Conflict of Interest shall refer to both a Financial Conflict of Interest and a Fiduciary Conflict of Interest.

2. Financial Conflict of Interest

The term Financial Conflict of Interest shall refer to instances in which a person has a Financial Interest that the Executive Committee or Board of Directors has deemed a Conflict of Interest.

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3. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment or family (which are a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister):

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

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. Gifts and favors include any gratuitous service, loan, discount, money, or article of value, but do not include loans from financial institutions on customary terms, articles of nominal value ordinarily used for sales promotion, ordinary “business lunches” or reasonable entertainment consistent with local social or business customs.

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 Executive Committee or Board of Directors decides that a Conflict of Interest exists.

4. Fiduciary Conflict of Interest

The term Fiduciary Conflict of Interest shall refer to instances in which a person has a Fiduciary Responsibility that the Executive Committee has deemed a Conflict of Interest.

5. Fiduciary Responsibility

A person has a Fiduciary Responsibility towards an organization or individual if they:

- a. Occupy a position of special confidence toward such organization or individual; or
- b. Have a duty of loyalty or duty of care to an organization (by virtue of serving as an officer or director of an organization or other position with similar responsibilities). The duty of loyalty requires the person to refrain from dealing with FPA on behalf of a party having an interest adverse to FPA and to refrain from competing with FPA. The duty of care requires the person to discharge his or her duties in good faith and in a manner they reasonably believe to be in the best interests of FPA.

A Fiduciary Responsibility is not necessarily a Conflict of Interest. A person who has a Fiduciary Responsibility may have a Conflict of Interest only if the Executive Committee decides that a Conflict of Interest exists.

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B. Procedures to Address a Conflict of Interest

1. Duty to Disclose

In connection with any actual or potential Conflict of Interest, FPA Leaders must disclose the existence of any Conflict of Interest they may have due to their own interests or the interests of their family members and be given the opportunity to disclose all material facts to the Executive Committee.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the potential Conflict of Interest and all material facts to the Executive Committee, and after any discussion with the FPA Leader, the Executive Committee members shall discuss and decide if a Conflict of Interest exists. If the FPA Leader who is the subject of such an inquiry is a member of the Executive Committee, they shall not participate in the discussion or decision.

As part of that determination, the Executive Committee will decide whether the transaction or arrangement is in FPA's best interest, for FPA's benefit, and whether it is fair and reasonable to FPA. In the event there is disagreement by the Executive Committee, the matter will be brought to the attention of the entire Board of Directors, with the exception of the FPA Leader whose action(s) is being examined who will determine whether a Conflict of Interest exists. In the event the FPA Leader disagrees that there is an actual, apparent or potential Conflict of Interest, the matter will be referred to the Board of Directors who will review the same information reviewed by the Executive Committee and may meet with the FPA Leader to get additional information if required to make its determination. If the Executive Committee or the Board of Directors determines that a Conflict of Interest exists, then the Executive Committee or Board of Directors shall follow the process described in Section 3 below.

This Policy also applies to a potential candidate to serve as a FPA Leader who serves on or plans to serve on the board or committee of another organization that transacts business with FPA or has interests adverse to FPA. In such a case, the potential candidate to serve as a FPA Leader needs to disclose their relationship or potential relationship and a determination will be made if a Conflict of Interest exists with respect to the potential candidate pursuant to the procedures outlined in this Policy which fact may be taken into account by the FPA Board in deciding whether to elect such candidate to the Board of Directors.

3. Procedures for Addressing the Conflict of Interest

If the Executive Committee or the entire Board of Directors determines that a Conflict of Interest exists under Section 2 above, then the Past President of the Board of Directors shall notify the FPA Leader who disclosed the potential conflict and ask them to recuse themselves from any meeting where a vote is required so that they will not vote or participate in any decisions of the voting body. If the Executive Committee or the entire Board of Directors determines that a Conflict of Interest does not exist, then the Past President of the Board of Directors shall notify the FPA Leader who disclosed the potential conflict and the FPA Leader can vote and participate in decisions of the voting body.

Annually, the Past President of the Board of Directors and committee chairpersons will be

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responsible to discuss this Policy with all the body's members during the first meeting of the body and have the discussion noted in the meeting minutes. In the event an actual, apparent or potential Conflict of Interest exists for a Board member or a committee member, it is the responsibility of the Board member or committee member to notify both the Board and committee chair and the FPA committee staff liaison. The staff liaison and or Board Past President or committee chair will present this matter to the Executive Committee for further discussion and resolution in accordance with the process described in Section 2 above.

4. Violations of the Conflicts of Interest Policy

If any FPA Leader has reasonable cause to believe any FPA Leader (a) has an actual, apparent, or potential Conflict of Interest, or (b) has failed to disclose an actual, apparent or potential Conflict of Interest, they shall inform the Executive Committee of the basis for such belief and afford the member an opportunity to explain the alleged Conflict of Interest or failure to disclose. If, after hearing the FPA Leader's response and after making further investigation as warranted by the circumstances, the Executive Committee determines the FPA Leader has failed to disclose an actual or potential Conflict of Interest, the Executive Committee shall take appropriate disciplinary and corrective action up to and including removal from office. Any action by the Executive Committee can be appealed to the Board of Directors.

5. Periodic Reviews

To ensure that FPA operates in a manner consistent with its purpose as a 501(c)(6) organization, and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects: (a) whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining; and (b) whether arrangements with other organizations conform to FPA's applicable written policies, are properly recorded, reflect reasonable payments for goods and services, if any, further FPA's purposes as a 501(c)(6) organization, and do not result in inurement or impermissible private benefit.

6. Use of Outside Experts

In conducting the periodic reviews, FPA may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Executive Committee of its responsibility for ensuring that periodic reviews are conducted.

7. Compensation Committees

If applicable, a voting member of any committee with Board delegated powers whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from FPA for services, is precluded from voting on matters pertaining to that member's compensation.

8. Records of Proceedings

The minutes of the Board and all committees with Board delegated powers shall contain: (a) the names of the persons who disclosed or otherwise were found to have a Financial Interest or a Fiduciary Responsibility in connection with an actual, apparent or potential Conflict of Interest, the nature of the Financial Interest or Fiduciary Responsibility, any action taken to determine whether a Conflict of Interest was present, and the Board's or committee's decision as to whether

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a Conflict of Interest in fact existed; and (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the names of the persons who recused themselves from such discussion and votes, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

9. Annual Statements

Each FPA Leader shall annually sign a statement which affirms such person: (a) has received a copy of this Conflicts of Interest Policy; (b) has read and understands the Policy; and (c) has agreed to comply with the Policy.

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C. Disclosure of Conflicts of Interest

To help avoid any Conflicts of Interest, on this form you are disclosing ownership or other proprietary interests, responsibilities, circumstances, or other reasons why you (or, by extension, any member of your family or any entity in which you have a direct or indirect financial interest) might have an actual, apparent or potential Conflict of Interest with your duties to FPA, both with respect to the Conflicts prohibited above and any others.

You invite further review by FPA of any aspects of these circumstances that FPA considers appropriate. In addition, you agree to take other steps, such as avoiding deliberation and resolution of certain issues or even withdrawing from your leadership position, if it is determined that such steps are necessary to protect the integrity of FPA and to avoid the breach of your duties to FPA.

During such time as you continue to serve as an FPA Leader, you agree to notify FPA promptly if and when you determine that any additional actual, apparent or potential Conflicts of Interest with your duty to FPA arise subsequent to the execution of this form. Finally, you agree to fully comply with any and all other FPA policies or procedures regarding Conflicts of Interest. Please check and/or complete the appropriate section below:

Actual, apparent and/or potential Conflicts of Interest:

There are no actual, apparent or potential Conflicts of Interest.

The undersigned acknowledges and agrees that his/her selection for service as an FPA Leader and the opportunities made available to the undersigned by serving as an FPA Leader constitute good and valuable consideration for entering into this agreement, the receipt and sufficiency of which is acknowledged.

Signature: _____

Name: _____

Title: _____

Date: _____

Approved and Adopted, 27 January 2022
FPA Board of Directors