



Conflict of Interest Policy

Arab Student Aid International (ASAI)

Adopted by the Board of Directors on January 15, 2021

1. Purpose

The purpose of this Conflict of Interest Policy is to protect the integrity and interests of Arab Student Aid International (ASAI) when the organization is contemplating any transaction, arrangement, or decision that might benefit the private interests of a director, officer, employee, or volunteer. This policy helps ensure that ASAI's decisions are made solely to promote its charitable mission and not influenced by personal or financial gain.

2. Policy Statement

All members of the Board of Directors, officers, employees, and volunteers of ASAI have a duty to act in good faith and in the best interests of the organization. They must avoid conflicts of interest and situations that could give the appearance of impropriety. When a potential conflict arises, it must be disclosed and handled in accordance with this policy to ensure transparency and accountability.

3. Definition of Conflict of Interest

A "conflict of interest" occurs when an individual's personal, financial, or professional interests interfere or appear to interfere with the interests of ASAI.

Examples include, but are not limited to:

- Having a financial interest in a business or organization that does business with ASAI.
- Serving as an officer, director, employee, or consultant for another organization that may compete or collaborate with ASAI.
- Accepting gifts, favors, or benefits from a person or entity that has, or seeks to have, a business relationship with ASAI.
- Using ASAI's property, confidential information, or resources for personal advantage.
- Making decisions that could result in personal or family benefit at the expense of ASAI.

A “financial interest” exists if a person, directly or indirectly through business, investment, or family, has ownership or investment interest in, or a compensation arrangement with, any entity with which ASAI has a transaction or arrangement.

4. Duty to Disclose

Any person covered by this policy who believes they may have a potential or actual conflict of interest must disclose the existence and nature of the conflict to the Board of Directors or the Executive Director as soon as it arises. The disclosure should include sufficient details to allow an informed decision about the situation.

5. Determining Whether a Conflict Exists

After disclosure of a potential conflict, the Board (or designated committee) shall review the facts. The person involved in the potential conflict shall leave the meeting during the discussion and vote. The remaining board members shall decide whether a conflict of interest exists.

6. Procedures for Addressing the Conflict of Interest

If a conflict is determined to exist:

1. The Board shall determine whether ASAI can obtain a more advantageous transaction or arrangement that would not give rise to a conflict.
2. If such an alternative is not reasonably possible, the Board may approve the transaction or arrangement only if it is in ASAI’s best interest, for its own benefit, and fair and reasonable.
3. The Board’s decision and rationale shall be recorded in the meeting minutes.

No conflicted individual may participate in deliberations or vote on any matter in which they have a conflict of interest, although they may provide factual information if requested.

7. Records of Proceedings

The minutes of the Board or committee meeting shall include:

- The name of the person disclosing the conflict and the nature of the conflict.
- The members present and the Board’s decision on whether a conflict existed.
- The actions taken to determine whether the transaction was fair and in ASAI’s best interest.
- The vote, including how each member voted.

8. Compensation Matters

A voting member of the Board of Directors who receives compensation from ASAI for services is precluded from voting on matters pertaining to their own compensation. Compensation arrangements shall always follow IRS rules for reasonable and fair payment.

9. Annual Disclosure Statement

Each director, officer, and key employee shall annually sign a statement affirming that they:

- Have received and read this Conflict of Interest Policy.
- Understand and agree to comply with it.
- Disclose any existing or potential conflicts of interest.

Disclosures shall be reviewed annually by the Governance or Audit Committee, and updates will be maintained in ASAI's records.

10. Violations of the Policy

If the Board or a committee has reasonable cause to believe a member has failed to disclose a conflict of interest, it shall inform the individual and allow them an opportunity to explain. If, after hearing the response, the Board determines that the individual failed to disclose an actual or potential conflict, it may take appropriate disciplinary and corrective action, including removal from office or termination of employment.

11. Review and Compliance

This policy shall be reviewed at regularly by the Governance Committee or Board of Directors to ensure compliance with evolving nonprofit best practices and IRS requirements.