

Asian Americans for Community Involvement (AACI)

FISCAL OPERATIONS

- CODE OF CONDUCT AND CONFLICT OF INTEREST -

AACI POLICIES & PROCEDURES		Code of Conduct and Conflict of Interest	
Policy Number:	FIN-02	Approved by: AACI Board of Directors 	
Policy Custodian:	Finance		
Effective Date:	07/01/2019		
Previously Updated:	06/27/2018	Date: 05/27/2020	
Responsibility:	All AACI Employees; Board of Directors; Finance Committee		

Applies to:	<input checked="" type="checkbox"/> Workforce Members (Employees, Interns, Volunteers and Temporary Staff) <input checked="" type="checkbox"/> Contractors <input checked="" type="checkbox"/> Other Agents <input checked="" type="checkbox"/> Visitors
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- I. Purpose
To establish strict guidelines regarding ethical business conduct for all AACI's employees, contractors, consultants volunteers, officers, board members, and other agents representing AACI.

- II. Policy
It is AACI's policy that all employees, contractors, consultants, other contingent workers and anyone acting on behalf of AACI to act lawfully, honestly, ethically and in the best interests of the agency while performing duties on behalf of AACI. Additionally all parties shall observe the highest standards of ethics and integrity in their conduct. This means following a basic code of ethical behavior that includes the following:
 1. Practice of Ethical Behavior
Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of AACI depend to a very large extent on the following considerations:
All members of AACI workforce and Board of Directors are expected to abide by the organization's ethical guidelines and must conduct AACI business in accordance with the letter, spirit and intent of all applicable laws and refrain from any illegal, dishonest, or unethical conduct. Failure to abide by this policy may result in removal or termination.

This Code of Conduct does not address all possible ethical and compliance concerns in the workplace, and it is each employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers. If there is any doubt, employees should seek the advice of their manager or HR.

Each director, manager, and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, managers, and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

 2. Conflict of Interest
AACI employees are expected to use their best judgment to act, at all times and in all ways, in the best interests of AACI while performing their job duties. No person who is an employee, agent, consultant, officer, or elected or appointed official of AACI shall be allowed to obtain a personal or financial interest or, benefit from the activities of the organization. Any employee, agent, consultant or elected official of AACI participating in a decision making process or having inside information with regards to AACI's operations must not solicit any contracts, subcontracts, or agreements that unfairly benefit the individual, his or her family or business ties, during their tenure at AACI and for one year thereafter.

No employee may be employed by, render volunteer services to, or have an economic interest in any organization, agency, group or individual, if he/she is influential in the granting of funds, or issuing of licenses or permits to that entity, and/or a source of client referrals or placements for that entity to the benefit of AACI.

Participation by individuals who are also participants under the program in policy or decision making does not constitute a conflict of interest. In certain situations, AACI may request in writing to the federal funding agency to grant an exception to the conflict of interest provisions stated in the paragraph above. The federal agency may determine on a case-by-case basis whether the exception serves to further the purposes of the program and the effective and efficient administration of the organization's project. Any exception will be considered only after AACI has provided the opinion of its legal counsel in writing stating that the interest for which the exception is sought would not violate State or local law.

AACI recognizes that employees may seek additional employment during off hours, but expects, in these cases, that any outside employment will not affect job performance, work hours, scheduling, or otherwise adversely affect the employee's ability to effectively perform his or her duties. Any conflicts of interest should be reported to the manager or HR. Failure to adhere to this policy may result in disciplinary action, up to and including termination.

Senior executives and members of the Board of Directors shall also disclose any affiliated party that they may have a financial interest in, which will be used by AACI to monitor and identify any potential conflicts of interest. If transactions are entered into, such transactions are reviewed and approved by the Board of Directors or its delegated committee, and included in its financial reports.

Employees are also discouraged from accepting any personal gratuities from funders, vendors, or partners. Occasionally, AACI will receive donated tickets to games or special events which are for the benefit of AACI's employees and are distributed by RD in an equitable manner. All such donations should be sent to RD for reporting and distributing.

3. Compliance with Laws, Regulations and AACI Policies

AACI does not tolerate the willful violation or circumvention of any federal, state, local, or foreign law by an employee during the course of that person's employment; nor does the AACI tolerate the disregard or circumvention of AACI policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

Employees have a responsibility to safeguard data and information privacy in accordance with applicable law and contracts, and internal work rules. Employees should access, use, share, transfer and retain any data or information only for legitimate business purposes.

4. Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the AACI or to the funder, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken. Disciplinary action will be taken:

- a. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
- b. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
- c. Against any director, manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.
- d. Any contractor, consultant or other agents who authorizes or participates directly in actions that are a violation of this policy.

5. Fraud Policy

This applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with AACI. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with AACI. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

a. Responsibility

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. They are also responsible for the communication of this policy and expectations of their team members. Any fraud that is detected or suspected must be reported immediately to the Chief Financial Officer or, alternatively, to the Chair of the AACI Finance Committee, who coordinates all investigations.

b. Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to the following:

- i. Any dishonest or fraudulent act
- ii. Forgery or alteration of any document or account belonging to AACI
- iii. Forgery or alteration of a check, bank draft, or any other financial document
- iv. Misappropriation of funds, securities, supplies, equipment, or other assets of AACI
- v. Impropriety in the handling or reporting of money or financial transactions
- vi. Disclosing confidential and proprietary information to outside parties
- vii. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to AACI other than promotional items of insignificant value.
- viii. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- ix. Any similar or related irregularity

c. Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the departmental management and the Human Resources Department. If there is a question as to whether an action constitutes fraud, contact the Chief Financial Officer or the Chair of the Finance Committee for guidance.

d. Investigation Responsibilities

The Finance Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Finance Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Finance Committee will issue reports to appropriate designated personnel and, if appropriate, to the AACI Board of Directors and/or the Executive Committee.

III. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

a. Confidentiality

The Finance Committee and the Chief Financial Officer will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CFO or the Finance Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedures section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect AACI from potential civil liability.

b. Authority for Investigation of Suspected Fraud

Members of the AACI Finance Committee will have:

- i. Free and unrestricted access to all AACI records and premises, whether owned or rented; and
- ii. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigations.

c. Reporting Procedures for Suspected Fraud

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Chief Financial Officer or the Chair of the Finance Committee immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Finance Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation", "the crime", "the fraud", "the forgery", "the misappropriation", or any other specific reference.

Alternatively, to facilitate reporting of suspected violations where the reporter wishes to remain completely anonymous, employees may call the Ethics and Compliance Hotline at 866-881-2938.

The reporting individual should be informed of the following:

- i. Do not contact the suspected individual in an effort to determine facts or demand restitution.
- ii. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by AACI's legal counsel or the Finance Committee.