

Appendix III



Society for Industrial and Organizational Psychology, Inc.

Conflict of Interest Statement

Article I

Purpose

The purpose of the conflict of interest policy is to protect the Society for Industrial and Organizational Psychology, Inc.'s (SIOPI's) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of SIOPI or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

Article II

Definitions

1. Interested Person

a. Any director, elected officer, member of a committee with Board delegated powers, the employer of the foregoing, or an exempt member of the administrative staff, who has a direct or indirect financial interest, as defined below, is an interested person, or

b. Any director, elected officer, member of a committee with Board delegated powers, the employer of the foregoing, or an exempt member of the administrative staff, who has an interest in an issue, matter or transaction in which SIOB has an interest, or

c. An individual or organization has an interest for purposes of this policy if he, she, or it is an agent for a person or organization with an identified goal of influencing a decision by SIOB on any issue, matter or transaction.

2. Financial Interest

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

a. An ownership or investment interest in any entity with which SIOB has a transaction or arrangement, or

b. A compensation arrangement with SIOB or with any entity or individual with which the Organization has a transaction or arrangement, or

c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SIOB is negotiating a transaction or arrangement.

d. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

e. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, determination of whether a conflict exists will be made by the Secretary or the Board of Directors.

Article III

Procedures

1. Duty to Disclose

a. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial or other interest and be given the opportunity to disclose all material facts to the Board and members of committees with Board delegated powers considering the proposed transaction or arrangement.

b. The minutes of the meeting at which the disclosure of any conflict is made shall reflect that the disclosure was made and whether the person with the conflict withdrew, after making full disclosure of the matter in question and the conflict, and was not present for the final discussion of the matter and any vote thereon.

2. Determining Whether a Conflict of Interest Exists

a. An interested person who is uncertain as to whether he or she may have a conflict should ask the Secretary for an opinion. The Secretary shall issue a written opinion which shall be presumed to be correct and may be relied upon unless challenged by another Board member, in which case the final decision as to whether a conflict exists shall be made by the Board of Directors.

b. If the Secretary's determination is challenged, after disclosure of the potential conflict and all material facts to the Board of Directors, and after any discussion with the interested person, he/she shall leave the Board meeting (or if meeting virtually, shall cease participation in or monitoring of the meeting) while the determination of a conflict of interest is discussed and voted upon. The remaining members of the Board of Directors shall decide if a conflict of interest exists.

c. The Secretary shall advise the President of SIOF of each and every opinion issued. Opinions shall, to the extent possible, avoid the disclosure of personal information while, at the same time, disclosing the basis for the opinion. Copies of all opinions shall be retained by the Secretary and made available to the Board upon request to permit and encourage consistency.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting (or if meeting virtually, shall cease participation in or monitoring of the meeting) during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest.

b. The President or chairperson of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether SIOF can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in SIOF's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make a decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV

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 an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V

Compensation

a. An elected member of the Board who receives compensation, directly or indirectly, from SIOF for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from SIOF for services is precluded from voting on matters pertaining to that member's compensation.

c. No elected member of the Board or voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from SIOF, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, elected officer, and voting member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands SIOF is non-profit organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure SIOF operates in a manner consistent with its nonprofit status and in accord with its stated goals and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the SIOF's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its stated goals and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, SIOF may, but need not, consult outside advisors. If outside experts are consulted, their participation shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.