



## American Public Transportation Association

# Conflict of Interest Policy

### 1. PURPOSE

This policy is intended to protect the interests of APTA when it is contemplating entering a transaction or arrangement that might benefit the private interest of an officer or director of APTA or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable District of Columbia and federal laws governing conflict of interest applicable to nonprofit corporations.

### 2. SCOPE

- a. This policy applies to all APTA Board members and Committee Chairs and Vice Chairs.

### 3. REFERENCES

- a. Code of the District of Columbia Section 29-406-70 (“Conflicting Interest Transaction; Voidability”).

### 4. DEFINITIONS

- a. **Interested Person:** Any director, officer, or member with governing board delegating powers, who has a direct or indirect financial interest as, defined below, is an interested person.
- b. **APTA Officers:** Are the Chair, Vice Chair, Secretary Treasurer, and Immediate Past Chair.

c. **Financial Interest:** A person has a financial interest or “other interest” if the person has, directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which APTA has a transaction or arrangement;
2. A compensation arrangement with APTA or with any entity or individuals with which APTA has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which APTA is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

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 so determined in accordance with the procedures outlined below.

## **5. RESPONSIBILITIES**

On an annual basis Board members and Chairs and Vice Chairs of committees must disclose actual or potential conflicts of interest. Board members must disclose to the Board officers and include a copy to the General Counsel.

## **6. PROCEDURES**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the APTA officers. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the APTA officers will consider the information received and determine whether a conflict of interest exists. An interested person may make a presentation to the APTA officers regarding the information submitted. The APTA Chair, in consultation with the APTA the General Counsel, will investigate alternatives to the proposed transaction or arrangement and report back to the APTA officers.

After exercising due diligence, the APTA officers shall determine whether APTA 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. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the APTA officers shall determine by a unanimous vote whether it is in APTA’s best interest, for its own benefit, and whether the transaction or arrangement is fair and reasonable. If such a determination is made, then the transaction or arrangement can proceed and the APTA officers will provide documentation of its decision and the basis for their conclusion.

If someone has reasonable cause to believe a Board member has failed to disclose actual or possible conflicts of interest, the person shall notify the APTA officers and provide documentation regarding their concerns. The APTA officers shall inform the Board member of the concern and the documentation. The APTA officers shall afford the Board member an opportunity to explain the alleged failure to disclose.

If, after hearing the Board member's response and after making further investigation as warranted by the circumstances, the APTA officers may determine the Board member failed to disclose an actual or possible conflict of interest as required by the policy, and the APTA officers shall take appropriate disciplinary and corrective action.

The APTA officers shall document all their decisions regarding conflicts of interests to include: The names of the persons who disclosed or otherwise were found to have a financial interest relating to an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the APTA officers' decision as to whether a conflict of interest in fact existed.

A Board member who receives compensation, directly or indirectly, from APTA for services is precluded from voting on matters pertaining to that Board member's compensation.

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


Each Board member and the Chairs and Vice Chairs of committees shall annually sign a statement that affirms: (1) They have received a copy of this Conflicts of Interest Policy; (2) They have read and understand the policy; (3) They agree to comply with the policy; and (4) They understand that APTA is a private non-profit entity and to maintain its federal tax-exempt status it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

**Certification of Secretary/Treasurer**

I hereby certify that the above "Conflict of Interest Policy" was adopted by the Board of Directors of APTA at a properly called meeting with an appropriate quorum present.

This 1st day of December, 2017

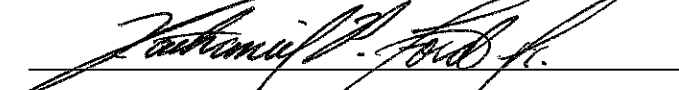
Printed name: DAVID M STRAWN ON BEHALF OF KIM GREEN

Signature: 

Secretary/Treasurer

**Acknowledgment of APTA Chair**

This \_\_\_\_\_ day of \_\_\_\_\_, 2017

Printed name: 

Signature: NATHANIEL A FORD SR.

APTA Chair