National Speleological Society
Conflict of Interest Policy
DRAFT 2026-11-21

1. Whom This Policy Covers

This policy covers:

(a) Directors of the National Speleological Society (the "Society");

(b) Officers, which for the purpose of this policy include (i) officers of the Society, (ii) the Secretary-Treasurer, and (iii) the Executive Director; and

(c) Managers, defined as (i) Division Heads and (ii) any employees of and volunteers for the Society who have authority to supervise employees or volunteers, or who have authority over substantial financial or other assets of the Society;

except that Managers do not include Directors and Officers.

2. Duties Owed to the Society

Directors and Officers owe duties of care, obedience, and loyalty to the Society, including duties under Ala. Code § 10A-3A-8.30 and 8.42. Managers owe a duty of loyalty to the Society.

(a) Duty of Care. Directors and Officers must act with the attention and prudence of a reasonable and careful person. For example, Directors must diligently try to attend all board meetings and must review materials, to obtain relevant information, and to form their own opinions when deciding issues (not to just "go with the flow");

(b) Duty of Obedience. Directors and Officers must ensure that the they and the Society obey Alabama law, obey the Society's own articles of incorporation, constitution, bylaws, and policies, and obey rules for maintaining the Society's tax-exempt status; and

(c) Duty of Loyalty. Directors, Officers, and Managers must prioritize the Society's interests above their own interests, unless and until a Conflict of Interest is both disclosed and waived as described below.

3. Conflicts of Interest

As a consequence of their duty of loyalty, Directors, Officers, and Managers have an actual or potential conflict of interest (together, a "Conflict of Interest" or "Conflict") when:

(a) they have a financial interest, transaction, or another arrangement that would materially benefit them (financially or otherwise) to the possible detriment of the Society;

(b) they owe a duty of loyalty to another organization, and the interests of the other organization conflict with the Society's interests;

(c) it would reasonably appear that an actual or potential conflict of interest exists, regardless of whether they know of additional exonerating facts; and

(d) they are party to a "conflicting interest transaction" or "controlling person transaction" as defined in the Alabama Nonprofit Corporation Law.

4. Material Relationships

A Director, Officer, or Manager also has a Conflict of Interest if they have a Material Relationship with another individual who would have a Conflict of Interest if the other individual were the Director, Officer, or Manager. A Material Relationship is a familial, financial, professional, employment, or other relationship that, under the circumstances, reasonably would seem to impair the objectivity of the Director's, Officer's, or Manager's judgment.

5. Examples of Conflicts of Interest

Below are examples of Conflicts of Interest. These are only examples; they do not cover all the situations that might be Conflicts of Interest.

(a) Substantial Gifts. You are helping select a caterer for the Society's convention. A caterer bidding for the job offers you 10 free meals at their restaurant, expecting you to select it in return. You have a Conflict of Interest because the free meals might cloud your judgment in selecting a caterer. The caterer's offering free food to help you evaluate their menu, or a vendor's offering you some nominal gift (such as vendor swag) is not substantial enough to be a Conflict.

(b) Personal Benefit. The Society reimburses up to $500 for travel to a meeting. Airline A costs $200, and Airline B costs $400. Each is convenient, but you want Airline B for the frequent flyer miles. Putting your personal interest (miles) ahead of the Society's interest (saving money) is a Conflict of Interest, even though the expense remains within the Society's $500 budget. Incurring the extra expense to upgrade to first class would also be a Conflict. However, receiving frequent flyer miles alone, without any extra cost, is a nominal benefit and not a Conflict.

(c) Conflicting Interest Transaction under the Alabama Nonprofit Corporation Law. You are a Director, and you own a cave property appraised at $100,000. You offer to sell the property to the Society for half its value, $50,000. Even though this is a great deal for the Society, it is still a conflicting interest transaction under Alabama law (and therefore a Conflict of Interest), because you are a party to a transaction in which you know that you have a material financial interest.

(d) Indirect Interest. You own a 1% interest in an LLC. The LLC is negotiating a possible contract with the Society. You have a Conflict of Interest because you have an indirect financial interest in a deal with the Society. But owning publicly-traded stock in a company doing business with the Society is not a Conflict.

(e) Material Relationship. Your spouse is an IT consultant and normally charges $100 per hour, but they offer to work for the Society for only $50 per hour. You have a Conflict of Interest—even if $50 per hour is a great deal for the Society—because you have a financial interest through your Material Relationship. It does not matter that you have nothing to do with selecting an IT consultant for the Society.

(f) Taking Away an Opportunity. You know the Society needs to acquire a particular scanner. You discover a great deal on the last one in a dealer's inventory, and you decide to buy it for yourself. You have a Conflict of Interest because your purchase would take the opportunity for the great deal away from the Society. But if there were several in stock at the same price, this would not be a Conflict because you and the Society could both get the same deal.

(g) Dual Loyalties. You are on the board of a different caving organization that applies for a grant from the Society. You have a Conflict of Interest because you owe duties of loyalty to both organizations, and the two may do business with one another.

(h) Policy Conflict. You know that the Society has a policy against displaying speleothems from caves (even if broken) because it encourages further vandalism. A museum offers you a job creating an exhibit using broken speleothems that the museum legitimately purchased from a cave owner. You have a Conflict of Interest because the job would necessarily conflict with a stated policy of the Society.

6. Consequences of a Conflict, Required Disclosure, and Discretionary Waiver

(a) No Transaction/Action. A Director, Officer, or Manager shall not consummate a transaction or action that gives rise to a Conflict of Interest, nor take any affirmative action that would encourage such a transaction or action, unless and until both (i) they make the required disclosure below in writing, and (ii) the Society makes the discretionary waiver below in writing.

(b) Required Disclosure. A Director, Officer, or Manager shall promptly disclose in writing all material facts concerning a Conflict of Interest:

(i) to the Executive Director, if a Manager has the Conflict of Interest; or

(ii) in every other case, to the Chair of the Board of Directors who shall pass the disclosure on to the remaining Directors;

except to the extent such disclosure would violate a duty of the Director, Officer, or Manager imposed under law, under a legally enforceable obligation of confidentiality, or under a professional ethics rule (which exception then precludes consummating the transaction/action).

(c) Discretionary Waiver. After the required disclosure, the Society may, in its sole discretion, choose to waive the disclosed Conflict of Interest in writing. Unless the Board of Directors decides otherwise, authority to decide to make such waiver is delegated:

(i) to the Executive Director, if a Manager has the Conflict and the Executive Director does not also have a related Conflict; or

(ii) in every other case, to any Directors who do not have the Conflict or a related Conflict, by a majority of such directors following consideration outside others' presence.

(d) Waiver Considerations. In deciding whether to waive a Conflict of Interest, the following non-exclusive factors may optionally be considered:

(i) the required disclosure and any additional information known to or discovered by the person(s) delegated the authority to decide;

(ii) the views of the person with the Conflict or of others;

(iii) the personal benefit to the person with the Conflict;

(iv) any detriment to the Society;

(v) how the person with the Conflict could make or sway relevant decisions;

(vi) how the Society handled previous Conflicts;

(vii) potential effects of waiver or of non-waiver; and

(viii) the best interests of the Society.

7. Failure to Comply with Policy

(a) If, in its sole opinion, a Director, Officer, or Manager fails to comply with Section 6(a) of this Policy, the Board of Directors (excluding any Director who so failed) may take appropriate disciplinary action, which may include removal from office, termination from employment, expulsion from membership in the Society, and/or other disciplinary measures.

(b) Nothing in this policy precludes other action that the Society, or its Directors, Officers, Managers, or members might choose to take regarding a conflicting interest transaction, a controlling person transaction, or a Conflict of Interest, including actions described in the Alabama Nonprofit Corporation Law, civil litigation, and/or pursuit of criminal prosecution.

8. Annual Disclosure

Each calendar year, each Director and Officer shall make a disclosure in substantially the following form to the Chair of the Board of Directors, who shall pass the disclosure on to the remaining Directors:

National Speleological Society

Annual Conflict of Interest Disclosure

I affirm that:

1. I have received a copy of the National Speleological Society's Conflict of Interest Policy (the "Policy").

2. I have read and understand the Policy.

3. I agree to comply with the Policy.

4. I understand that the National Speleological Society is charitable, and that in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

5. I am checking a box below either to affirmatively state that I have no known actual or potential conflicts of interest, or to disclose all material facts about each known actual or potential conflict of interest that I have:

[ ] I have no known actual or potential conflicts of interest.

[ ] The following are all material facts about each known actual or potential conflict of interest that I have (continue on another page, if needed):

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Printed Name: _____ **Position(s) Held:** _____

Signature: _____ **Date:** _____