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Standards of Business Conduct For Executive Board Members

The Standards of Business Conduct ("Standards") apply to all members of the Executive Board (Officers) of the Maryland School Nutrition Association (MSNA). All Officers of the Association are expected to read the Standards, understand them and comply with their letter and spirit. The Standards cannot address every applicable law or provide answers to all questions that might arise. Officers must ultimately rely on their good sense of what is right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. It should be noted that other documents, such as the Association's Governing Rules and Board Policies, also affect Officers' conduct. The Association's success depends upon maintaining its strong, positive public reputation. Therefore, in many instances these Standards go beyond the requirements of law or of those other documents.

Together with other applicable guidelines or policies of the Association, compliance with these Standards will help protect the Association's reputation for honesty and integrity. Furthermore, they are not an express or implied contract and do not create any rights of any kind—such as contract rights, indemnification rights, or intellectual property rights—between the Association and its Officers.

Compliance with Laws

Obeying the law, both in letter and in spirit, is one of the foundations on which the Association's ethical standards have been developed. All Officers must respect and obey the laws of the jurisdictions in which the Association operates. Although not all Officers are expected to know the details of these laws, it is important to know enough to determine when to seek advice from counsel or others.

Conflicts of Interest

Overview

Personal or business activities, relationships, or other interests of Officers must not conflict or appear to conflict with the interests of the Association. Disclosure of other interests is crucial to maintaining a bias-free governance process by the Association for the benefit of its members and other constituents. These Standards do not specifically address the details of conflict avoidance, so individuals should act in good conscience and use common sense. Board members should refer to MSNA's Conflict of Interest Policy. When questions arise, they should seek guidance.

General Principles

All Officers are expected to disclose other interests according to the Association's policies and procedures. They are expected to deal at arm's length in any transactions with the Association and are expected to cooperate in resolving any conflicts or potential conflicts as recommended by the Executive Board or its designated representatives.

Accounts and Record Keeping

Overview

Every Association financial record and report should be accurate, timely and in accordance with any applicable laws or accounting rules or principles. The Association's books must reflect all components of transactions, as well as the Association's high standard of insisting upon an honest and forthright presentation. These records are the basis for managing the Association and for fulfilling the obligations to members, the public, and government authorities.

General Principles

- Never falsify any document or distort the true nature of any transaction.
- All transactions must be supported by accurate documentation.
- All reports made to government authorities must be full, fair, accurate, timely and understandable.
- Officers must cooperate with audits of financial records.
- To the extent estimates and accruals are necessary in Association reports and records, they must be supported by appropriate documentation and be based on good faith judgment.

Use of Association Assets

Overview

Association assets are to be applied to Association, not personal, uses. Assets include the Association's equipment, computers and software. Common sense should prevail. The occasional minor personal use of some Association assets is not an issue. Theft or deliberate misuse of Association assets is a violation of the Standards.

General Principles

- The use of Association assets for the personal benefit of Officers, or the benefit of anyone other than the Association, is permitted only with proper approval or authority.
- Officers may not take away from the Association any opportunity for financial gain that arises or is discovered because of their positions in the Association or through the use of Association property or information.
- Misuse of Association assets may be considered theft and result in disciplinary action or criminal prosecution.
- Association computer systems and equipment are meant for Association use only. For example, they should never be used for outside businesses, illegal activities, gambling or pornography.

Working with Outside Parties and Business Gifts

Overview

Consistent with the obligation they have to act with integrity and honesty at all times, Officers should deal fairly and in good faith with all persons with whom the Association has transactions, business, or ventures. No one should take unfair advantage of anyone through misrepresentation or any unfair business practice. Officers of the Association may be offered gifts, hospitality or entertainment from persons or entities with which the Association has relationships, such as vendors, sponsors, advertisers, exhibitors, joint venturers, hospitality or transportation industry sales representatives or others. It is crucial to keep an arm's-length relationship. Avoid accepting excessive or lavish gifts that may give the appearance of undue influence; acceptance of anything of more than trivial value should first have proper approval or authority. Every Officer should avoid personal financial transactions with persons or entities that may influence their ability to perform objectively.

General Principles

- The Standards prohibit Officers from accepting any nontrivial gifts or entertainment in the context of Association work. Judgment is critical in this area. For instance, modest holiday gifts may be fine but an expensive trip would not be. In addition, an Officer must not accept any gift in the form of cash, credit, discounts, or similar offerings. If uncertain, prior approval or authority should be sought.
- Modest gifts or entertainment from persons or entities with which the Association has relationships must support the legitimate interests of the Association and should be reasonable and appropriate under the circumstances.

Protecting the Association's Nonpublic Information

It is the obligation of Officers to safeguard the Association's nonpublic information. Officers should not share confidential information with anyone outside the Association unless it is necessary as part of work responsibilities and then only pursuant to a nondisclosure agreement reviewed by counsel.

Nonpublic information is any information that has not been disclosed or made available to the membership, the general public, or government agencies. Nonpublic information includes items such as financial data, evaluations of joint ventures or other endeavors, personal information about Officers, employees or members, material contracts, finance arrangements, major management changes, and other Association developments.

Administration of the Standards

Distribution

All Association Officers will receive a copy of these Standards at the time they assume their positions with the Association and will receive any periodic updates.

Approvals or Authorizations

As described in the Standards, certain persons at the Association must review and approve in writing any circumstance requiring special permission. Copies of these approvals should be maintained by the Association and made available to auditors or investigators.

MSNA's Executive Committee must approve waivers of any provision of these Standards.

Generally, approvals, authorizations or waivers should be obtained from the Executive Committee.

Monitoring Compliance

Officers should take all responsible steps to prevent Standards violations. Officers must report suspected violations to the individuals from whom they would go to obtain approvals, authorizations, or waivers. However, suspected Standards violations that relate to financial statement disclosures or to accounting, internal control, or auditing matters should be raised with the Audit Committee. Reports may be made anonymously, but anyone who makes a report anonymously must recognize that the Association will then be unable to follow up for further information or to inform on the disposition of the report.

The Association does not permit retaliation of any kind against Officers for good faith reports of potential violations of the Standards. Anyone who retaliates against another for reporting known or suspected violations of the Standards will be in violation of the Standards. Retaliation may also be a violation of law; as such, it could subject both the individual offender and the Association to legal liability.

Investigations and Disciplinary Actions

The Association will investigate any matter that is reported and may take appropriate corrective and disciplinary actions, which may include, alone or in combination, a warning, letter of reprimand or revocation of an officer's position, or other.

Amendments and Modifications

The Association reserves the rights to amend, alter, or terminate these Standards at any time and for any reason.

Approved: May 19, 2010

EXECUTIVE BOARD

MARYLAND SCHOOL NUTRITION ASSOCIATION