

THE AMERICAN-SCOTTISH FOUNDATION, INC.

ANTI-NEPOTISM POLICY

The purpose of this policy is to avoid favoritism, the appearance of or potential for favoritism, and conflicts of interest and loyalty often associated with nepotism. Nepotism is inconsistent with the Foundation's longstanding policy of making employment decisions and other business decisions based solely on its needs and individual qualifications, skills, ability and performance.

POLICY:

No Foundation officer, director or employee or any volunteer may make, participate in, or attempt to influence employment or other business decisions involving a relative or pressure or cause others to do so. Therefore, there can be no direct reporting or supervisory relationship between relatives, and all "employment decisions" must be made by others. If an individual is to be assigned to a position that is under the supervision or control of a relative who has or may have a direct effect on the individual's progress or performance, or an individual is to be assigned to a position with the same immediate supervisor as a relative, a management plan will mitigate possible conflicts of interest must be devised and approved by the board of directors.

A management plan is also required when an individual already in a position of authority becomes a relative of a supervisor, subordinate, or someone who works for the same immediate supervisor.

MEMBERS OF AN AUDIT TEAM:

No relative of any board member, employee or volunteer may serve on any audit team (either audit committee or independent accountant) which provides auditing services to the Foundation.

DEFINITIONS:

Nepotism: favoritism in the workplace based on kinship, which ordinarily consists of making employment or other business decisions based on a family relationship.

Employment decisions: the full spectrum of employment or volunteer related actions, including but not limited to decisions related to hiring, supervision, direction of work, promotion, compensation, work/volunteer hours, performance evaluation, termination and all other terms and conditions of employment or volunteer related actions.

Business decisions: decisions related to the full spectrum of Foundation commercial activities (e.g., buying, hiring, selling, contracting, licensing, leasing) or otherwise involving the expenditure of Foundation funds or the use of its resources.

Relative: the spouse, domestic partner, anyone in a romantic relationship and, whether by blood, adoption, marriage or domestic partnership, the child, parent, grandparent, sibling, grandchild, aunt or uncle, niece or nephew, or any person residing in the immediate household (or the household of the spouse or domestic partner of any of these relatives) of the Foundation director, employee or volunteer, or his or her spouse or domestic partner, or person in a romantic relationship.

GUIDELINES:

1. This policy does not prohibit (but does not encourage) the Foundation from simultaneously employing relatives or engaging in commercial activities with the relatives of employees.
2. This policy is in addition to the Foundation's Conflict of Interest Policy. If a Foundation employee's relative is also employed by it, volunteers at the Foundation, or engages in commercial activities with the Foundation, the relationship should be disclosed in the annual conflict of interest disclosure form.
3. Employees and volunteers must self-report in writing to the head of their organizational unit before they make, participate in, or attempt to influence (or cause others to make, participate in, or attempt to influence) decisions covered by this policy. If the relationship involves the leader of a program or event, the report must be made in writing to the next most senior leader to whom the individual is accountable.
4. This policy applies to instances of nepotism that existed before the enactment of this policy. Any existing relationships or situations must be disclosed immediately, evaluated, and managed as provided in this policy.
5. Legitimate issues may arise and thus must be disclosed and managed under this policy with regard to: (i) relatives who do not fit the definition of relative provided above; or (ii) situations where the employee or volunteer is directly or indirectly involved in the Foundation's engagement or potential engagement (e.g., as a contractor) of a relative.
6. The fundamental goal of the management plan is to mitigate actual and perceived favoritism and conflicts of interest and loyalty by establishing appropriate processes for employment decisions or volunteer related actions. At a minimum, management plans must: (i) address reporting relationships, supervision, and evaluation in a way that will assure that there will be no participation in employment decisions or volunteer related actions as prohibited by this policy and (ii) establish a review and approval process for expenditures to sufficiently mitigate or preclude favoritism or the appearance of favoritism. To ensure continuity and appropriateness, periodic review and, as needed, revision of the approved management plan should occur at least annually and also whenever there is a relevant change in reporting relationships. If the relationship involves the leader of an organizational unit, the management plan must be reviewed and approved by the organizational leader to whom that unit leader is accountable.
7. Concerns or complaints about possible violations of this policy should be submitted to the President or Executive Director of the Foundation.
8. Violations of this policy may result in discipline up to and including termination of employment or removal from the board of directors.

