



Conflict of Interest Policy

- I. **Purpose.** The purpose of this conflict of interest policy is to protect the interests of Endowment for Health (Foundation) and the people for whose benefit it exists. This Policy supplements but does not replace federal and state laws, orders and regulations governing conflicts of interest which apply to nonprofit or charitable corporations and/or their officers and directors; and the Articles of Agreement, Bylaws and policies of the Foundation.
- II. **Scope.** This Policy applies to all Directors, Advisory Council members, Committee members, and employees of the Foundation.
- III. **Definitions.**

Conflict of Interest - Conflict of interest relates to any situation where an individual's private interests may be incompatible or in conflict with their Endowment responsibilities. This includes, but is not limited to, situations involving:

 - A direct pecuniary interest of the individual (either personally or through the individual's family); or
 - Organizations with which an individual has an official governing responsibility or which employ the individual or a member of his or her family.

Direct pecuniary interest - An individual interest rather than one that is common to a class of persons. That is to say, it is not considered a conflict of interest if a large segment of the population, including the member, will benefit from a decision to which the member is a party. However it is a conflict of interest if the member or his or her family could benefit personally from a decision while a larger group of people could not.

Family - Spouse or spousal equivalent, children, or parents.
- IV. **Rationale.** The Foundation's objective is to make - and to be seen to make - decisions which are free from personal bias. At the same time, it is desirable to have Directors, Advisory Council members, Committee members and employees who are interested and involved in community activities and issues. These guidelines are intended to ensure and enable a balance between the need to be conscious of the Endowment's highly visible role with the general public and the non-profit community, as well as its desire to involve well-informed and committed individuals to serve as Directors, Advisory Council members, Committee members and employees.
- V. **Policy.** Endowment for Health Directors, Advisory Council members, Committee members and employees are expected to avoid all activities that involve - or might appear to involve - their association with the Foundation for their own advantage or for that of their friends, family, or other groups with which they are associated. Their actions should not compromise - or appear to compromise - their integrity. To that end:
 - Individuals who have pecuniary interests or interests in which they may derive personal benefit, either personally or through their families, in a matter under consideration by the

Foundation, shall at the first opportunity disclose the nature of that conflict of interest to the Audit Committee Chair.

- Individuals shall not divulge confidential information obtained as a result of their role with the Foundation unless required to do so, nor shall such information be used for personal benefit.
- Gifts/Honorariums. Individuals shall not solicit or accept transfers of economic benefit as a result of their role with the Foundation. Gifts and honorariums from a current grantee organization, potential applicant, vendor or consultant are restricted as follows:
 - Monetary gifts such as cash, gift certificates, and gift cards; and in-kind services, are prohibited.
 - Non-monetary gifts of nominal value (under \$50) such as complimentary tickets to an event, a meal, a conference, items bearing a vendor's logo, a round of golf or other activity, etc. are not prohibited, but should be discouraged.
 - Non-monetary gifts received in excess of \$50 should be reported to the Board Chair, President or Chief Operating Officer.
 - Frequent non-monetary gifts from an individual or organization should also be reported.
- Applications for grants from agencies or organizations that employ members of the Board of Directors or Program Committee members in a managerial capacity will not be accepted during, and for one year after, the Term of office of the Board or Program Committee member. Notwithstanding the foregoing, in the case of institutional or governmental applicants, applications for grants from departments, divisions or programs other than the department, division or program in which the Board or Program Committee member is employed in a managerial capacity may be accepted, provided that the Board or Program Committee member has no involvement in the application and receives no direct or indirect personal financial benefit from any grant awarded.
- Board of Directors, Program Committee members and employees must declare a conflict of interest if they, or a member of their family, have – or have had in the past year - a significant relationship with an organization whose grant application is under consideration by the Foundation. A significant relationship includes - but is not limited to - being a Board member or officer, or in a position of influence with the organization or with one of the organizations in a collaborative.

VI. Oversight.

- The Audit Committee is responsible for administering the Conflict of Interest Policy annually, with responsibility for:
 - a. Collecting and reviewing Conflict of Interest Statements from Directors, Advisory Council members, Committee members and employees
 - b. Reviewing and discussing potential conflicts of interest; and
 - c. Reporting conflicts of interest to the Governance Committee.
- The Governance Committee of the Board shall have ultimate responsibility for ensuring compliance with the standards established by the Conflict of Interest Policy and to take reasonable steps to ensure compliance with and to remedy violations of this Policy.

VII. Procedures.

- **Duty to Disclose.** In connection with any actual or potential conflicts of interest, an interested person must disclose the existence of his or her personal or private interest and all material facts to the members considering the proposed transaction or arrangement. Such disclosure must occur as soon as the actual or potential conflict of interest is known to the person.

- **Determining Whether a Conflict of Interest Exists.** After disclosure the personal or private interest and all material facts, and after any discussion with the interested person, the interested person and any other persons who have had a pecuniary benefit transaction with the Foundation in the same fiscal year shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members shall decide whether a conflict of interest exists. If it is determined that a conflict of interest exists, the persons who withdrew may not be present for or have any communication with the directors regarding the matter involved.
- **Annual Duty to Disclose.** At least once a year, each Director, Advisory Council member, Committee member and employee shall file with the Audit Committee of the Board a disclosure of all potential conflicting relationships. The Audit Committee will review and report on these disclosures to the Board.
- **Procedures for Addressing a Conflict of Interest.**
 - a. An interested person may make a presentation at a meeting, but shall leave the meeting during the discussion and vote on the transaction or arrangement involved.
 - b. The Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Foundation's best interest, for its own benefit and fair and reasonable to the Foundation.
- **Violations of the Conflicts of Interest Policy.**
 - a. If the Governance Committee of the Board has reasonable cause to believe that a member has failed to disclose actual or potential 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 response of the member and making such further investigation as may be warranted in the circumstances, the Governance Committee determines that the member has in fact failed to disclose an actual or potential conflict of interest, it shall take or recommend appropriate disciplinary and corrective action.

VIII. **Records of Proceedings.** The minutes of all meetings shall contain:

- The names of the persons who disclosed or otherwise were found to have a personal or private interest in connection with an actual or potential conflict of interest, the nature of the personal or private interest, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed.
- 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 copy of any votes taken in connection therewith.

IX. **Annual Statements.** Endowment for Health Directors, Advisory Council members, Committee members and employees will sign an annual statement.

- Has received a copy of this Policy, including all portions of the Articles and Bylaws attached hereto;
- Has read and understands this Policy and its attachments;
- Has agreed to comply with this Policy and the attachments; and
- Understands that the Foundation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Conflict of Interest Disclosure Form

I. Name, address, telephone number, and role with the Endowment for Health, Inc.

II. I confirm that I have received and have read and understand the requirements of the following Endowment for Health governing documents:

- Articles of Agreement
- Bylaws
- Code of Ethics
- Conflicts of Interest Policy

I agree to comply with all these governing documents. I also understand that the Foundation is a charitable organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I hereby disclose that I have the following potential conflicting arrangements:

I confirm that, if additional potential conflicting arrangements arise at any time after the date of this disclosure, I will immediately disclose them in writing to the Audit Committee.

Date _____ Signature _____