**Procedure Name: Conflict of Interest & Related Party Transactions**

1. **Purpose:**

The Agency, as a commitment to its members and the public at large, strives to maintain the highest ethical standards in the delivery of programmatic services through the design, implementation and adherence to clearly articulated policies and procedures in an effort to avoid either actual or the appearance of improper or undisclosed conflicts of interest. Each Director, Officer, and Key Employee of The Agency has a duty of loyalty to The Agency, which requires those individuals to prefer the interests of The Agency over their own. The Agency further wishes to clarify that where the terms “Director”, “Officer” and “Key Employee” appear, all members of The Agency’s Executive Committee, as outlined in the By-laws, are considered part of this group and are subject to the requirements of this Policy.

The purpose of this policy is to protect the interests of The Agency when it is contemplating entering into a transaction or arrangement that might benefit the private interest, financial or otherwise, of a Director, Officer, or Key Employee of The Agency. The Agency will not enter into any such transaction or arrangement unless it is determined by the Board in a manner described below to be fair, reasonable, and in the best interests of The Agency at the time of such determination.

1. **Definitions:**

Affiliate. An affiliate of The Agency is an entity that is directly or indirectly through one or more intermediaries, controlled by, and in control of, or under common control with The Agency.

Audit Committee. A committee of The Agency Board (made up of independent directors).

Board of Directors or Board. The body responsible for the management and governance of The Agency.

Conflict of Interest. Any situation in which a Director, Officer, or Key Employee of The Agency has a competing professional or personal interest in a matter, which is the subject of a decision or duty by that person. Such competing interest may make it difficult for such person to fulfill their duties impartially and can create an appearance of impropriety even if no unethical or improper act results from the conflict. Includes Related Party Transactions, defined below.

Director. Any voting or non-voting member of the governing board of The Agency.

Financial Interest. A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving The Agency.

Independent Director. A member of the Board of Directors who:

1. Has not been an employee or an Affiliate of The Agency within the last three years
2. Does not have a Relative who has been a Key Employee of The Agency or an Affiliate of The Agency within the last three years
3. Has not received and does not have a Relative who has received more than $10,000 in compensation directly from The Agency or an Affiliate of The Agency within the last three years
4. Does not have a substantial Financial Interest in and has not been an employee of, and does not have a Relative who has a substantial Financial Interest in or was an Officer of any entity that has made payments to or received payments from The Agency or an Affiliate of The Agency in excess of the lesser of (a) $25,000 or (b) 2% of The Agency’s consolidated gross revenue over the last three years (payment does not include charitable contributions).

Key Employee. A Key Employee is a person who is in a position to exercise substantial influence over the affairs of The Agency. This includes, but is not limited to:

1. Voting members of the Board
2. Presidents, chief executive officers, chief operating officers or employee of any other title with similar responsibilities
3. Treasurers and chief financial officers or employee of any other title with similar responsibilities
4. A “highly compensated” employee, within the meaning of section 4958 of the Internal Revenue Code and guidance issued by the Internal Revenue Service, who is in a position to exercise substantial influence over the affairs of The Agency

Officer. A person designated as such in The Agency By-laws.

Related Party. Persons who may be considered a Related Party of The Agency under this Policy include:

1. Directors, Officers, or Key Employees of The Agency or an Affiliate of The Agency.
2. Relatives of Directors, Officers, or Key Employees of The Agency or any Affiliate of The Agency.
3. Any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Related Party Transaction. Any transaction, agreement or any other arrangement with The Agency or an Affiliate of The Agency in which a Related Party has a Financial Interest. Any Related Party Transaction will be considered a conflict of interest for purposes of this Policy.

Relative. A Relative is a spouse, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half-blood), or spouse of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half-blood).

1. **Detailed Procedure(s)**:

Duty to Disclose

In connection with initial and annual disclosures under #6 of this Policy, Directors, Officers, and Key Employees must disclose the existence of the financial or other interest and be given the opportunity to disclose in good faith all material facts to the Board of Directors. In addition to initial and annual disclosures, Directors, Officers, and Key Employees are under a continuing obligation to similarly disclose the material facts surrounding actual or possible Conflicts of Interest as they arise to the Board.

Determining Whether a Conflict of Interest Exists

After disclosure of the financial or other interest and all material facts, and after discussion with the individual raising the potential conflict, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Independent Directors of the Board shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest

The Director, Officer, or Key Employee may make a presentation at the Board meeting, but after such presentation that individual shall leave the meeting during any discussion of, and/or vote on the transaction, arrangement or activity being addressed as the possible conflict of interest. Further, the individual with a conflict shall refrain from any attempts to improperly influence the deliberations and voting on the matter giving rise to the conflict.

After the exercise of due diligence, the Board shall determine whether The Agency can obtain by 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 that does not produce a conflict of interest, the Independent Directors of the Board shall determine by a majority vote of the disinterested Directors then present and voting whether the transaction or arrangement is in The Agency’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Policy

If the Board determines that a Director, Officer, or Key Employee has failed to disclose an actual or possible conflict of interest, it shall inform such person of the basis for such belief and afford the person the opportunity to explain the alleged failure to disclose.

If after hearing the individual’s response and after making further investigation as warranted by the circumstances, the Board determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including but not limited to consideration of the act as conduct detrimental to The Agency in violation of its by-laws.

1. **Record of Proceedings**

The minutes of the Board meeting at which a Related Party Transaction is considered shall contain:

1. The name(s) of the persons who disclosed or otherwise were determined to have a potential or actual Financial Interest and/or conflict of interest, the nature of the potential or actual Financial Interest and/or conflict of interest, any action taken to determine whether a Financial Interest or conflict of interest exists (including the basis for the Board’s approval and the Board’s consideration of alternative transactions), and the Board’s decision with respect to whether a Financial Interest and/or conflict of interest exists.
2. The names of the persons who were present for discussions and votes relating to any transaction or arrangement, including whether the Related Party (and any members not considered to be Independent Directors) left the room during any such discussions, the content of such discussions, including discussion of alternative transactions, and whether or not the transaction with the Related Party was approved by the Board.

The minutes shall be documented contemporaneously to the decision and discussion regarding the Financial Interest or Conflict of Interest.

1. **Initial and Annual Statements/Disclosures**

Prior to a member of the Board’s initial election to the Board, and annually thereafter, such Directors shall sign and submit to the Secretary of The Agency a written statement identifying, to the best of his or her knowledge:

1. Any entity of which such member of the Board is an officer, director, trustee, member, owner, or employee and with which The Agency has a relationship; and
2. Any transaction in which The Agency is a participant and in which such member of the Board might have a conflicting interest.

A copy of each disclosure statement shall be provided by the Secretary of The Agency to the Chairperson of the Board and also kept in The Agency’s files and made available to any Director upon request.

Further, each Director, Officer, and Key Employee shall annually sign a copy of this statement and submit it to the Secretary of The Agency that affirms that such person:

1. Has received a copy of this Policy; and
2. Has read and understands this Policy; and
3. Has agreed to comply with this Policy.

A statement shall remain on file for no less than six years.

1. **Acknowledgement**

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**CONFLICT OF INTEREST POLICY:**

**ACKNOWLEDGMENT AND DISCLOSURE STATEMENT**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, by signing my name on the signature line below, hereby acknowledge that I have received and read a copy of the Conflict of InterestPolicy in its entirety, understand the nature and contents of the policy and agree to comply with the requirements of policy. I understand that my failure to sign this document shall be referred to the Board for further action.

Please check all statements that pertain to your disclosure:

* I wish to report that I am an officer, director, trustee, member, owner, or employee of the following entity or entities with which The Agency participates and in which I may have a conflicting interest.

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* I wish to disclose the following health care or related entity with which The Agency participates and in which I have an interest or connection.

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* I wish to disclose the following circumstance that The Agency participates in that may possibly be a conflict of interest or violate this Policy:

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***(Disclosure does not automatically result in a violation, but will be subject to review)***

* I am a person with an intellectual or other developmental disability, a parent, family member or blood relative of a person with a disability who receives services from a The Agency.
* I wish to report that to the best of my knowledge, information and belief, no situation in which I am involved personally or professionally could be construed as a violation of this Policy, or as placing me in a position of having a conflict of interest with the The Agency.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_