



## Greater Columbia Accountable Community of Health (GCACH)

SUBJECT: Conflict of Interest Policy

Policy #: 2016-003

Version Date: June 7, 2016

Policy adopted by the GCACH Board of Directors by resolution on April 21, 2016

### **Purpose:**

The purpose of this Conflict of Interest Policy is to protect the interest of the Greater Columbia Accountable Community of Health ("GCACH" or "Organization") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any officer, director, member (including members of the Leadership Council), employee, and/or agent of the Organization or might result in a possible excess benefit transaction. To ensure the GCACH operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the GCACH Board of Directors ("Board") shall conduct periodic reviews of the GCACH Bylaws and this Conflict of Interest Policy. The periodic reviews shall, at a minimum, include the following subjects:

Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and

Whether partnership, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

### **Definitions:**

"Conflict of Interest" means a situation in which an Interested Person has the potential to vote on or influence a matter that would provide direct or indirect financial benefit to that Director or their immediate family or to any agency with which that member is affiliated.

"Director" means an individual appointed as a member of the Board of Directors pursuant to the Bylaws.

"Executive Committee" means the Board of Directors President, Vice-President, Secretary, Treasurer, and Past President.

"Financial Interest" means having directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

"Interested Person" means any Director, officer, employee, member (including Leadership Council members), or agent who has a Financial Interest.

## **Annual Disclosure:**

Each Director and principal officer shall annually sign a disclosure statement which affirms such person: (i) has received a copy of the conflicts of interest policy; (ii) has read and understands the conflicts of interest policy; (iii) has agreed to comply with the conflicts of interest policy, and (iv) understands the GCACH is charitable and in order to maintain its federal tax exemption it must be organized and operated for one or more tax-exempt purposes set forth in Section 501(c)(3) of the Internal Revenue Code. In addition, such disclosure statement shall include each director's affiliations (as trustee, board member, officer, employee, advisory committee member, development committee member, volunteer, etc.) with any actual or potential grantee or borrower of the GCACH or any other organization with which the GCACH may have a financial relationship, and the affiliations of persons with whom a director has a close relationship (a family member or close companion) with any actual or potential grantee or borrower of the GCACH or any other organization with which the GCACH may have a financial relationship. The form of such annual disclosure statement shall be prescribed and adopted by the Board of Directors and reviewed on an annual basis by the Executive Committee.

## **Self-Dealing Transactions:**

### Prohibition and Standard for Approval:

Except as provided in the GCACH Bylaws, the Board of Directors shall not approve or permit the GCACH to engage in any self-dealing transaction. A self-dealing transaction is a transaction to which the GCACH is a party and in which one or more of the Directors has a Financial interest.

Notwithstanding the foregoing, the GCACH may engage in a self-dealing transaction only as follows:

1. If the transaction is approved by a court or by the Attorney General, or
2. If the Board determines, before the transaction, that (1) the GCACH is entering into the transaction for its own benefit; (2) the transaction is fair and reasonable to the GCACH at the time; and (3) after reasonable investigation, the Board determines that it could not have obtained a more advantageous arrangement with reasonable effort under the circumstances. Such determinations must be made by the Board in good faith, with knowledge of the material facts concerning the transaction and the interest of the director or directors in the transaction, and by a vote of a majority of the directors then in office, without counting the vote of the interested director or directors.

### Notification and Process:

Whenever an Interested Person has a Conflict of Interest in any matter coming before the Board, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested Directors determine that it is in the best interest of the corporation to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

The Board may also vote to exclude an Interested Person against whom a claim of Conflict of Interest or violation of appearance of fairness is made from Board votes or from executive sessions until the claim against the member is resolved. Additionally, the Board may by majority vote exclude an Interested Person from a portion of any executive session where a matter of potential legal conflict between GCACH and the Interested Person is to be discussed.

## **No Loans:**

No loans shall be contracted on behalf of the GCACH and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. That authority may be general or confined to specific instances. No loans shall be made by the GCACH to a Director nor shall the GCACH guarantee the obligation of a Director unless either: (a) the particular loan or guarantee is approved by the vote of a majority of the votes represented by members in attendance at the meeting upon which the matter is considered, except the votes of the benefited Director, or (b) the Board determines that the loan or guarantee benefits the GCACH and either approves the specific loan or guarantee or a general plan authorizing loans and guarantees.

**Violations of the Conflicts of Interest Policy:**

1. If the Board (or committee) has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board (or committee) determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Records of Proceedings:**

The minutes of the Board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's or committee's decision as to whether a Conflict of Interest in fact existed.
2. 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 record of any votes taken in connection with the proceedings.

**Compensation:**

1. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Use of Outside Experts:**

When conducting the periodic reviews as provided for in this Conflict of Interest Policy, the Organization may, but is not required to, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**I affirm that I:**

1. Have received a copy of the conflicts of interest policy,
2. Have read the policy and understand the policy,
3. Agree to comply with the policy, and
4. Understand the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

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