

## **Community Health Services Conflict of Interest Policy**

### **I. General Policy**

Members of the Board of Directors, Advisory Board and members of standing and other committees of Community Health Services (CHS) must conduct their relationships in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as members of CHS.

As to the Directors and Officers, the Bylaws provide as follows:

Conflicts of Interest. If any person who is a Director or Officer of the Corporation, or formerly in that role, is aware that the Corporation is about to enter into any business transaction directly or indirectly with such person, any member of that persons family, or any entity in which that person has any legal, equitable or fiduciary interest or position, including without limitation as a director, officer, shareholder, partner, beneficiary or trustee, such person shall (i) immediately inform those charged with approving the transaction on behalf of the Corporation of such person's interest or position, (ii) aid the person(s) charged with making the decision by disclosing any material facts within such person's knowledge that bear on the advisability of such transaction from the standpoint of the Corporation, and (iii) not be entitled to vote on the decision to enter into such transaction.

A like standard shall apply to members of all standing and other committees.

Directors, officers and members of the Advisory Board and members of all committees will be required to annually attest to their familiarity with these policies and to provide information concerning possible conflicts of interest so that any necessary disclosure can be made.

### **II. Application of General Policy**

A possible conflict of interest arises when a Director, Officer, Advisory Board member, or committee member holds a financial interest in or will receive any personal benefit from a business furnishing services, materials, or supplies to CHS. "Financial interest" for this purpose shall mean position as owner, officer, Board member, partner, employee or agent of any sort.

Conflict of interest also applies in a relationship that involves "duality" or "diversity" of interest, not involving personal or pecuniary advantage to the individual director or officer, but rather to the interests of another nonprofit organization which has, or may seek to have, dealings with CHS.

Directors, Officers, Advisory Council, or committee members must never use the information received while serving CHS if such personal use of any information would be detrimental to CHS. Any action that might impair the reputation of CHS must also be avoided.

Another situation in which a conflict of interest could arise is when a Director, Officer, Advisory Board, or committee member is personally given the chance or opportunity to engage in a business transaction that could be of interest to CHS. In such a situation, the individual should affirmatively

present such business opportunity to CHS before personally participating in the transaction.

This Conflict of Interest Policy should be reviewed annually, and each Director, Officer, Advisory Board, or committee member should annually complete a CHS Disclosure Statement.

### **III. Implementation of Policy**

In order to properly implement the conflict of interest/duality of interest policies as outlined above, the following procedures will be implemented by Community Health Services.

- A. There will be an annual written Statement of Disclosure completed by each Director, Officer, Advisory Board, or committee member. The Executive Director shall be responsible for preparing, distributing, collecting, and initially analyzing all such Statements of Disclosure.
- B. When any matter involving a conflict of interest/duality of interest is under consideration by CHS, the interested Director, Officer, Advisory Board, or committee member should abstain from any preliminary review and discussion, as well as any vote at the committee or full Board level. This restriction extends to lobbying members of the staff, or other directors or officers "informally," concerning the matter in question. However, this does not prohibit the interested Director, Officer, Advisory Board, or committee member from answering questions about or explaining the proposed transaction, or speaking directly on an issue of broad policy that may have relevance to actions taken by the Board affecting the interest of the director.
- C. Whenever a Director, Officer, Advisory Board, or committee member abstains from participation in a committee or Board vote, the abstention shall be formally recorded in the minutes of the organization.
- D. There will be an annual summary and analysis of the Statements of Disclosure, and a record of related abstentions from discussion and voting, prepared by the Executive Director and made available to the CHS President, and the Board and Board Development Committee.
- E. A statement of fact regarding the conflict/duality of interest policy shall be included in the annual report.

Adopted: \_\_\_\_\_

Reviewed and Amended: \_\_\_\_\_