

Havasu Community Health Foundation

Conflict of Interest Policy and Agreement

ACTION: Board Approved March 20, 2014

The Board of Directors of Havasu Community Health Foundation has adopted the following policy designed to avoid any possible conflict between the personal interests of Board members or staff and the interests of the organization. Also see ARTICLE IV, Section 19, of the Havasu Community Health Foundation By-Laws.

The purpose of this policy is to ensure that decisions about Havasu Community Health Foundation operations and the use or disposition of Havasu Community Health Foundation assets are made solely in terms of the benefit to Havasu Community Health Foundation and are not influenced by any private profit or other personal benefits to the individuals affiliated with the organization who take part in the decision. In addition to actual conflicts of interest, Foundation members and staff are also obliged to avoid actions that could be perceived or interpreted in conflict with Havasu Community Health Foundation's interest.

Conflicts of interest may occur when Havasu Community Health Foundation enters into transactions with not-for-profit organizations as well as those that are undertaken with profit-making entities. The best way to deal with this problem is to make known one's connection with organizations doing business with Havasu Community Health Foundation and to refrain from participation in decisions affecting transactions between Havasu Community Health Foundation and the other organization. Such relationships do not necessarily restrict transactions so long as the relationship is clearly divulged and non-involved individuals affiliated with Havasu Community Health Foundation make any necessary decisions.

1. **Directors.** Any member of the Foundation's Board of Directors who may be involved in a Havasu Community Health Foundation business transaction in which there is a possible conflict of interest shall promptly notify the Chairman of the Foundation. The Director shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The Director's presence may not be counted in determining the quorum for any vote with respect to a Havasu Community Health Foundation business transaction in which he or she has a possible conflict of interest. Furthermore, the Director, or the Chairman in the Director's absence, shall disclose a potential conflict of interest to the other members of the Foundation before any vote on a Havasu Community Health Foundation business transaction and such disclosure shall be recorded in the Foundation minutes of the meeting at which it is made. Any Havasu Community Health Foundation business transaction which involves a potential conflict of interest with a member of the Foundation's Board of Directors shall have terms that are at least as fair and reasonable to Havasu Community Health Foundation as those which would otherwise be available to Havasu Community Health Foundation when dealing with an unrelated party.

2. **Staff.** Any staff member who may be involved in a Havasu Community Health Foundation business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the Executive Director of the Foundation. If the possible conflict involves the Executive Director of the Foundation, the possible conflict shall then be reported to the Foundation's Chairman of the Board.

The Executive Director or, where applicable, Chairman, after receiving information about a possible conflict of interest, shall take such action as is necessary to assure that the transaction is completed in the best interest of Havasu Community Health Foundation without the substantive involvement of the person who has the possible conflict of interest. (This does not mean that the purchase or other transaction must necessarily be diverted, but simply that persons other than the one with the possible conflict shall make the judgments involved and shall control the transaction.)

Each Foundation member and senior staff member shall complete the attached questionnaire on an annual basis.

A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the Executive Director or, where applicable, by the Chair of the Board.

Definitions:

- A. "Involved in a Havasu Community Health Foundation business transaction" means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction, or authorizing or making payments from Havasu Community Health Foundation accounts. That language is intended to include not only transactions for Havasu Community Health Foundation's procurement of goods and services, but also for the disposition of Havasu Community Health Foundation property, and the provision of services or space by Havasu Community Health Foundation.
- B. A "possible conflict of interest" is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractor by an organization that seeks to do business with Havasu Community Health Foundation, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household.
- C. A "possible conflict of interest" exists when an individual affiliated with Havasu Community Health Foundation has an interest in an organization that is in competition with a firm seeking to do business with Havasu Community Health Foundation if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.

D. A "possible conflict of interest" exists when an individual affiliated with Havasu Community Health Foundation is a director, officer, or employee of a not-for-profit organization that is seeking to do business with or has a significant connection with Havasu Community Health Foundation or is engaged in activities which could be said in a business context to be "in competition with" the programs of Havasu Community Health Foundation.

This policy statement shall be made available to each Director and each person appointed or hired to a Havasu Community Health Foundation position that regularly involves initiation, review, or approval of significant Havasu Community Health Foundation contracts or other commitments. Such people will be asked to sign the attached acknowledgment concerning reporting of potential conflicts of interest.

Purchasing Policy where a "Possible Conflict of Interest" could exist:

Relationships with related parties will be considered only if they are based on the same terms and selection process as with any other vendor or entity bidding on work for the Havasu Community Health Foundation. Competitive bids must be obtained through an open competitive bidding process.

HCHF employees will conduct Foundation business ethically and objectively, in compliance with all applicable laws, regulations, and Foundation policies.

I have read and understand

AGREEMENT:

This document is to be signed by all Board Directors & Staff. All copies are on file in the HCHF office.

NAME: _____

Potential Conflict: _____

I have read and understand Havasu Community Health Foundation's policy on Potential Conflicts of Interest and the information contained on this form to the best of my knowledge.

I agree to report promptly any such interest which arises in my conduct of Havasu Community Health Foundation business and, in other respects, to comply with the policy and its procedures.

I have disclosed any actual or potential conflicts of interest that I may have regarding my position with the Havasu Community Health Foundation. In addition, prior to my participation as _____, and I agree to disclose any actual or perceived conflicts of interest as soon as I am aware of the conflict.

Signature

Date

Printed Name