



National Health Council

1730 M Street NW, Suite 500, Washington, DC 20036-4561 ■ 202-785-3910 ■ www.nationalhealthcouncil.org ■ info@nhcouncil.org

National Health Council Conflict of Interest Policy Updated: 2015

Purpose. The purpose of this conflict of interest policy is to protect the interests of the National Health Council when entering into a transaction or arrangement that might directly or indirectly benefit the private interests of an officer, director, or staff person.

Scope. The following statement of policy applies to each officer and director of the National Health Council and to staff persons employed by the National Health Council.

Responsibility. Directors, officers, and staff serve the public interest, and thus all decisions of the board, officers, and employees of the National Health Council are to be made solely on the basis of a desire to promote the best interests of the organization and the public good.

Individuals inevitably are involved in the affairs of other institutions and organizations. Effective boards and organizations will include individuals who have relationships and affiliations that may raise questions about perceived conflicts of interest. Although many such potential conflicts are and will be deemed inconsequential, every individual trustee and staff member has the responsibility to ensure that the entire Board of Directors is made aware of situations that involve personal, familial, or business relationships that could create a real or perceived conflict of interest.

Disclosure of Conflicts With Respect to Potential Financial Transactions. In the event that any financial transaction involving the National Health Council also involves (a) a director, officer, employee, or a member of their family, or (b) an organization with which any director, officer, or employee has any material financial interest, the director, officer, or employee having the affiliation or interest, at the first knowledge of the transaction, shall disclose fully the precise nature of the interest or involvement.

Disclosure of Other Conflicts. In the event that a director, officer, employee, or member of their family has a personal, familial, or professional relationship that may raise an actual or perceived conflict of interest with respect to the ability of the director officer or employee to act in the best interest of the National Health Council, the interested individual shall disclose fully the precise nature of the interest or involvement.

Disclosure Statement. Each board member, officer, and employee of the National Health Council shall be requested annually to submit a disclosure statement that affirms that such person has received a copy of the conflict of interest policy; has read and understands the policy; and has agreed to comply with the policy. In addition, such person must list all organizations with which he or she has a direct or indirect financial interest, as defined below, as well as any personal, familial, or professional relationships as defined above. In the event there is any material change in the information contained in any disclosure statement, the person who submitted it shall promptly submit written notification of the change.

Definition of Financial Interest. A director, officer, or employee is deemed to have a financial interest if such person has, directly or indirectly, through business, investment, or family:

- A real or potential ownership or investment interest (including stock ownership) in any entity with which the organization has or is negotiating a transaction or arrangement
- A real or potential compensation arrangement (including direct and indirect remuneration as well as gifts or favors that are substantial in nature) with the organization or with any entity or individual with which the organization has or is negotiating a transaction or arrangement
- A position as an officer or board member, employee, or former employee of any entity with which the organization has or is negotiating a transaction or arrangement

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

These areas of potentially conflicting financial interest are not exhaustive. Conflicts might arise in other areas. It is assumed that the persons covered by this policy will recognize such areas by analogy.

The term family shall be deemed to include an individual's spouse and children (including legally adopted children), siblings, parents, and members of that individual's household.

Determinations of Conflict of Interest. After disclosure of the conflicting interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon, unless the Chair and/or board determines that the interested person may remain in the room. The remaining board or committee members shall decide if a conflict of interest exists.

Restraint on Participation. A director or officer who has declared or has been found to have a conflict of interest in any proposed transaction or other matter shall refrain from participating in consideration of the proposed transaction or other matter, unless for special reasons the Board of Directors requests information or interpretation from the person or persons involved. In the case of a director or officer, he or she shall not vote on the matter in question and shall not be present at the time of the vote unless the Chair and/or board determine that the conflict is insignificant or immaterial to the issue at hand. With respect to restraint on participation by staff, the Chief Executive Officer, or, where applicable, the Chair shall take such action as is necessary to assure that the transaction or other matter is completed in the best interests of the National Health Council without the substantive involvement of the person who has the possible conflict of interest.

Procedures for Addressing Conflicts of Interest. Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- The conflicting interest is fully disclosed
- The person with the conflict of interest is excluded from the discussion and approval of such transaction (except to the extent otherwise permitted herein)
- A competitive bid or comparable valuation exists
- The board (or a duly constituted committee thereof) has determined that the transaction is fair and reasonable and in the best interest of the organization

Violations. If the board has reasonable cause to believe that a member has failed to disclose actual or possible 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.

If, after hearing the response of the member and making such further investigation as may be warranted, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including but not limited to removal from the member's position as an officer, director, or committee member.

Record of Proceedings. The minutes of the board shall contain:

- The names of the persons who disclosed or otherwise were found to have a financial or personal, familial, or professional interest in connection with an actual or possible conflict of interest, the nature of the financial or other 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.
- The names of the persons who were present for discussion 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 therewith.

Administration. All disclosures required under this policy and amendments thereto, if by Directors, shall be directed in writing to the Chair of the Board, or if by employees, to the Chief Executive Officer. The Chair of the Board and the Chief Executive Officer shall be responsible for the administration of this policy. Issues under this policy concerning Directors and officers shall be reported initially to the Chair of the Board for appropriate action; those concerning staff shall be referred initially to the Chief Executive Officer. Information disclosed under this policy shall be held in confidence by the persons authorized to receive and act upon it except where, in the judgment of any of such persons, the best interest of the organization requires further disclosure. This review process shall be reported annually to the board by the Chair.

Advance Determinations. Any board member who is uncertain about possible conflict of interest in any matter may request the Executive Committee to determine whether a possible conflict exists: the Executive Committee shall resolve the question by majority vote. If required, the question of potential conflict might be referred to counsel for an opinion prior to the Executive Committee vote.



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CONFLICT OF INTEREST DISCLOSURE FORM

PART A

I have read the National Health Council's conflict of interest policy document and understand and support its intent. To the best of my knowledge, I do __, do not __, have a relevant conflict of interest in serving the Council.

Generally a relevant conflict of interest could be said to exist when individuals have material interests that could influence them or could be perceived as influencing them to act contrary to the interests of the Council and for the individual's own personal benefit or that of a family member or a business associate. If you checked "do" in the space above, please complete Part B of this statement, listing your activities which you believe may constitute a relevant conflict of interest.

I agree that, if in the course of my service to the National Health Council, I am involved in a situation or activity in which I have a relevant conflict of interest, I will not participate in any discussion or action on that subject or activity unless officially requested to do so.

I further agree that if any conflict of interest arises which has not been reported previously, I will immediately notify the National Health Council in writing.

NAME (Please print)

SIGNATURE AND DATE



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PART B

(To be completed if the respondent indicates that he/she has a relevant conflict of interest)

Financial Interest/Affiliation

(Check each area that applies)

- Compensation arrangement (including employment, consulting fees, honoraria)
- Membership on Board of Directors or significant committee position for for-profit corporation or other nonprofit organization
- Stock shareholder or other financial interest in corporation
- Personal, familial, or professional relationships that may raise an actual or perceived conflict of interest

For each box checked, on a separate sheet(s) of paper, please list the third-party organization(s) and sufficient information of the interest/affiliation that will enable the National Health Council to make an informed decision. The information you provide should include (1) the nature of the activity which is a relevant conflict; (2) the type of financial arrangement, if any, between you and any third parties involved; (3) a description of the business or purpose of such third parties.



Sample Disclosure

Employment

My spouse is employed by ABC, LLP, Certified Public Accountants, (1234 J Street, Washington, DC). The firm is negotiating a contract to perform the annual audit for the National Health Council.

I am a paid consultant for ABC Management Services, which provides board and management training and development services to nonprofit organizations. The National Health Council has issued a request for proposals for board training services.

Membership

I am on the Board of Directors of the (name of a competing organization – not including National Health Council member organizations).

Stock Shareholder

I, or my immediate family, hold stock in the following companies that offer products or services utilized by the National Health Council:

XYZ Hotels
LMN Printing Company