



## **Conflict of Interest Policy**

### **ARTICLE I: PURPOSE**

The purpose of this Conflicts of Interest Policy (the “Policy”) is to protect the interests of Lakeland Volunteers in Medicine (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or employee of the Corporation or might result in a possible excess business transaction. This Policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to nonprofit and charitable corporations.

### **ARTICLE II: DEFINITIONS**

#### **1. Interested Persons**

Any director, principal officer, employee, or member of a committee with powers delegated by the Board of Trustees (the “Board”) who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest**

A person has a financial interest (“financial interest”) if the person has, directly or indirectly, through business or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest (“conflict of interest”). Under Article III, section 2 of this Policy, a person who has a financial interest shall have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

### **ARTICLE III: PROCEDURES**

#### **1. Duty to Disclose**

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and be given the opportunity to disclose all material facts to the Board and members of committees with Board-delegated powers considering the proposed transaction or arrangement.

## 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board or committee meeting while the remaining Board or committee members discuss and vote upon whether a conflict of interest exists.

## 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that may result in a conflict of interest.
- b. If the Board or committee determines that a conflict of interest does exist, then:
  - i. The President or chair of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - ii. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain an equally or more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
  - iii. If an equally or more advantageous transaction or arrangement is not reasonable attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors or committee members, as appropriate, whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

## 4. Violations of the Policy

- a. If the Board or committee has reasonable cause to believe that a director, officer, or member of a committee has knowingly failed to disclose actual or possible conflicts of interest, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of such person and making such further investigation as may be warranted in the circumstances, the Board or committee determines that such person has in fact knowingly failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action including the recommendation to the Board of removal from office or removal from such committee.

## **ARTICLE IV: RECORDS OF PROCEEDINGS**

The minutes of the Board and all committees with Board-delegated powers shall contain;

- a. 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, and
- b. 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 therewith.

## **ARTICLE V: COMPENSATION COMMITTEES**

A voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation, but may provide information to the Board or committee regarding compensation.

## **ARTICLE VI: ANNUAL STATEMENTS**

Each director, principal officer, employee, and member of a committee with Board-delegated powers shall confirm verbally and in writing at each annual meeting of the Corporation's board of directors, which confirmation shall be included in the minutes of such meeting that such person:

- a. Has received a copy of the Policy,
- b. Has read and understands the Policy;
- c. Has agreed to comply with the Policy, and has complied with the Policy during the preceding year, and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **ARTICLE VII: PERIODIC REVIEWS**

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining; and
- b. Whether partnership and joint venture arrangements and arrangements with management organizations conform to the Corporation's payments for goods and services further the Corporation's charitable purposes and do not result in inurement, impermissible private benefit or an excess benefit transaction.

## **ARTICLE VIII: USE OF OUTSIDE EXPERTS**

In conducting the periodic reviews provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.



## Conflict of Interest Disclosure Form

By signing below you affirm that you have received, reviewed and agree to comply with the Lakeland Volunteers in Medicine Conflict of Interest Policy. To help avoid any conflict of interest, on this form you are disclosing ownership or other proprietary interests, responsibilities, circumstances, or other reasons why you (or, by extension, any member of your family) might have an actual, perceived or potential conflict of interest with your duty as a member of the Lakeland Volunteers in Medicine Board of Trustees or staff. During such time as you continue to serve on the Board of Trustees or as a staff member, you agree to notify the Lakeland Volunteers in Medicine President/CEO if and when you determine that any additional actual, perceived, or potential conflicts of interest with your duty to Lakeland Volunteers in Medicine arise subsequent to execution of this form.

Please check and/or complete the appropriate section below.

Actual, perceived, or potential conflicts:

(Please be sure to list any involvement or connection you have to other nonprofit organizations.)

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There are no actual, perceived, or potential conflicts.

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

Printed Name: \_\_\_\_\_ Title /Position: \_\_\_\_\_