

# **CONFLICT OF INTEREST & DISCLOSURE STATEMENT**

The following policy was adopted by the ANCOR Board of Directors on September 17, 2017.

## **PERSONS CONCERNED:**

The ANCOR Conflict of Interest Policy applies to Board members, officers, staff, and volunteers who have significant, independent decision-making authority regarding the resources of the organization.

## **PURPOSE:**

Effective governance of ANCOR, depends on deliberate, thoughtful and disinterested decision-making by parties with significant, independent decision-making authority whether the decisions involve far reaching matters, organizational policy, strategic goals, approval of transactions, the investment of the organization's funds, or the adoption or continuation of programs. The ability of such persons to make good decisions for the organization can be profoundly affected by their other interests, personal or professional. The ANCOR Board is entitled to their best judgment, whatever the subject, without concern for those personal or professional interests. For that purpose, the Board of Directors adopts this policy on conflict of interest.

The Conflict of Interest policy is intended to help guide parties to make decisions in the best interests of ANCOR.

## **POLICY:**

It is the policy of the Board that all parties who have significant, independent decision-making authority regarding the resources of the organization have a fiduciary duty to conduct himself or herself without conflict to the interests of ANCOR. When acting within his or her decision-making capacity for ANCOR, he or she must subordinate personal, business, third-party, and other interests to the welfare and best interests of ANCOR. In short, all parties are expected to exercise good judgment and the highest ethical standards in the fulfillment of their ANCOR Board responsibilities.

All staff must avoid any activity, business interest, or other situation which could be construed either as conflicting with ANCOR's best interests or as an interference with the Director and Officer's duty to serve the organization to the best of his or her ability.

Members of the Board and Officers shall disclose all potential and actual conflicts of interest to the Chair of the Board of Directors and, as appropriate remove themselves from all discussion and voting on any related matter.

All parties shall disclose all facts that may be construed as a conflict of interest, at the time of initial affiliation with the organization and at least annually thereafter both through an annual disclosure process and whenever such actual or potential conflict arises.

The policy will be shared with all parties at time of orientation, during recruitment, and in an annual discussion at a meeting of the Board.

**AREAS IN WHICH CONFLICT MAY ARISE:**

A “conflict of interest” is any transaction or relationship which presents, or may present, a conflict between those covered by this policy’s obligations to ANCOR and his or her personal, business, or other interests. Actions that might result in or create the appearance of a conflict of interest include, but are not limited to related party transactions. A “related party transaction” is between ANCOR and any person who serves as a director, officer or key employee of ANCOR or any affiliate thereof, or any such person’s relative. “Related parties” shall include any entity in which any of the foregoing individuals or their family members has ownership or beneficial interest, or, in the case of a partnership or professional corporation, a direct or indirect ownership interest.

Staff questions and concerns about potential conflicts should be directed to the Chief Executive Officer. The Chief Executive Officer shall consult with the Board President in responding to an employee’s questions or concerns.

In addition to disclosing potential related-party transactions, Directors and Officers should:

- Avoid placing self-interest or the interest of a third party above the interests of ANCOR, and avoid the appearance of placing self-interest or the interests of a third party above the interests of ANCOR;
- Refrain from using ANCOR’s staff, services, equipment, materials, resources, or property for personal or third-party gain, and from representing to third parties that authority as a Board member extends any further than that which it actually extends.
- Not engage in any outside business, professional conduct, or other activities that may be directly or indirectly adverse to the interests of ANCOR;
- Not solicit or accept gifts, gratuities, free travel, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment with respect to matters pertaining to ANCOR without fully disclosing such an exchange to the Chair of the Board of Directors;
- Not persuade any employee of ANCOR to leave the employ of ANCOR or to become employed by any person or entity other than ANCOR; and
- Not persuade or attempt to persuade any member, exhibitor, advertiser, sponsor, subscriber, supplier, contractor, or any other person or entity with an actual or potential relationship with ANCOR to terminate, curtail, or not enter into its relationship with ANCOR, or to reduce any benefit that may be provided to ANCOR with respect to such relationship.

All information and matters about ANCOR or any entities connected with ANCOR, unless the information is a matter of public record or common knowledge, is considered confidential. The use of such information by a person covered by this policy, either

directly or indirectly, for purposes other than the best interests of ANCOR shall be considered a conflict of interest.

**INTERPRETATION OF THIS STATEMENT OF POLICY:**

The Board of Directors recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to ANCOR. Director and Officers are nonetheless encouraged to err on the side of disclosure.

Disinterested members of the Board of Directors or Executive Committee will review disclosures, determine whether a conflict of interest exists, and determine whether such conflict materially and adversely affects ANCOR's interests.

The Board of Directors may delegate its authority to review and remedy potential conflicts of interest to a committee of disinterested Board members. Such committee shall inform the Board of its determination and recommended action. The Board shall retain the right to modify or reverse such determination and action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy.

Outside legal counsel may be consulted, as necessary.

**DISCLOSURE POLICY AND PROCEDURE:**

At the time of initial affiliation with the ANCOR decision-making role and at least annually thereafter, each Director and Officer shall be provided with a copy of this policy, and shall complete and sign the Acknowledgement and Disclosure form. All Acknowledgement and Disclosure forms will be reviewed by the Executive Committee members.

In addition, all parties shall disclose all facts that may be construed as a conflict of interest whenever such actual or potential conflict arises. Members of the Board and officers shall disclose all potential and actual conflicts of interest to the Chair of the Board of Directors and, as appropriate remove themselves from all discussion and voting on any related matter.

Individuals who have an interest in a related party transaction must (a) disclose in good faith the material facts concerning his or her interest in the proposed transaction before the proposed transaction is approved by the Board of Directors, and (b) refrain from participation in, or improper influence of, ANCOR's decision-making regarding the potential transaction.

When considering whether to engage in an "interested party transaction," the ANCOR Board of Directors must: (1) consider alternative transactions not involving a related party; (2) approve the transaction by no less than a majority vote of the Directors present at the meeting; and (3) contemporaneously document the basis for approval.

If the reviewing body or official determines that an actual or potential conflict of interest exists, the reviewing body or official shall also determine an appropriate remedy. Such remedy may include, for example, (i) waiver of the conflict of interest as unlikely to affect the Director and Officer's ability to act in the best interests of ANCOR; (ii) recusal of the conflicted Director and Officer from participating in certain matters pending before ANCOR, the Board, or other ANCOR body; or (iii) in rare circumstances, resignation or separation of the conflicted Director and Officer from his or her role or Board position.

A Director and Officer whose potential conflict is under review may not debate, vote, or otherwise participate in such determination except to disclose material facts and to respond to questions, and shall further abstain from participating in any ANCOR matter affecting the interest under review pending a determination from the reviewing body or official.

1. The Minutes of the executive committee of the Board, the full Board and all committees with Board delegated powers shall contain:
  - a) the names of persons who disclosed or otherwise were found to have a financial or other interest, the nature of the interest, any action taken to determine whether a conflict of interest was present and the decision as to whether a conflict of interest in fact existed.
  - b) the names of persons who were present for discussion, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a copy of any votes taken in connection therewith.
2. The Chief Executive Officer shall record all conflict of interest disclosures and determinations involving staff in appropriate personnel files. The Chief Executive Officer shall disclose, as appropriate to Board decision making.

**VIOLATION OF POLICY:**

The Board will make a determination and, if necessary, conduct an investigation as to any violation of this Conflict of Interest policy. In the case of alleged violations of the policy by the Chief Executive Officer, the Chairperson of the Board shall make such determination and if necessary, cause an investigation to be made. Any disciplinary action taken and any contingencies to be put in place to resolve the conflict shall be documented.

If a Board member or a Committee member, has reasonable cause to believe that member has failed to disclose actual or possible conflicts of interest, it shall so inform the Board.

The Board shall 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 in the circumstances, the Board determines that the member has in fact failed to disclose an actual or possible conflict of interest, the Board shall take

appropriate disciplinary and corrective action consistent with the Bylaws of the corporation.

If an employee fails to notify the Chief Executive Officer of a real or potential conflict of interest pursuant to the terms of this policy, such individual may be subject to disciplinary action up to and including discharge.

**American Network of Community Options and Resources (ANCOR)  
Conflict of Interest Disclosure Statement**

I, the undersigned member of the (check one or more) \_\_\_ANCOR Board of Directors, \_\_\_Officer, \_\_\_Volunteer, \_\_\_ANCOR staff, have read and understand ANCOR's conflict of interest policy set forth above (the "Policy") and agree to comply fully with its terms and conditions at all times during my service to ANCOR.

If I become aware of any actual or potential conflicts of interest at any time following the submission of this form, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the person or persons to whom I am required to disclose pursuant to the Policy.

Disclosure of actual or potential conflicts of interest:

1. Do you have a familial, financial, or business relationship with any current or former director, officer, committee member, or employee of ANCOR?  Yes  No

2. Are you an officer, director, trustee, member, owner, or employee, or do you have any familial, financial, or business relationships with any persons or organizations that intend to engage in any transaction or to receive any substantial gift or favor that may represent a conflict with your obligations to ANCOR?  Yes  No

3. Do you have any other interest or affiliation that may compromise your ability to provide unbiased and undivided loyalty to ANCOR, or that may otherwise become in conflict with your official duties on behalf of ANCOR or its related corporations?  Yes  No

If you answered "yes" to any of the above, please explain below. Attach additional pages as necessary.

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I have read the ANCOR Conflict of Interest Policy set forth above and agree to comply fully with its terms and conditions at all times during my service as an Officer, Volunteer, Staff or member of the ANCOR Board of Directors.

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Type/print name

Signature

Date

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ANCOR position or role