

Section: Conflict of Interest Policy

Approved by: Audit Committee

Origination date: June 4, 2007

Reviews: Every Three (3) Years

Revisions: April 30, 2012

Purpose:

To establish guidelines for interpretation of conflict of interest. The ability of the Obici Healthcare Foundation to carry out its mission is enhanced by the involvement of its Board of Directors and staff in the community. Their collective knowledge is valuable in guiding the Foundation in its service to grantees and the communities in its service area. The Foundation, therefore, actively recruits board members and staff who are actively involved in community service and business affairs in Suffolk and other communities in the service area.

Oversight: Audit Committee

Policy: No director or staff member will take part in any Foundation decision that benefits him or his immediate family materially, nor that directly benefits any organization with which he has any formal relationship. Directors and staff have a fiduciary responsibility and must direct the affairs of the Foundation in good faith and without improperly benefiting from their position.

Directors and staff are prohibited from self-dealing. A self-dealing situation is any transaction or decision from which an individual closely related to the Foundation may profit or receive a monetary benefit. Those individuals are known as “disqualified persons” and include Board members, Foundation staff and immediate family members of Foundation staff and Board members. In addition, any corporation or other entity of which any of these individuals is an officer, director, employee or owner of a least 5% of the entity also fits the definition of a “disqualified person.” An immediate family member is defined as an individual’s spouse, children, parent and siblings.

A conflict of interest exists any time there are dual or multiple interests or loyalties which may inhibit the exercise of objective and impartial judgment.

- 1. Grants to not-for-profit organizations.** In the event the Foundation is considering a grant to an entity in which a Board or Foundation staff member or an immediate family member is an officer, director or employee, the affected member shall inform the Board. In such cases, neither the Board member nor the Foundation staff member shall be present or participate in the discussion unless invited by the Chairman of the meeting. The affected Board member shall also refrain from voting on the grant. This procedure shall also be applicable to Committees of the Board.

2. **Procurement of Services.** The Foundation shall not obtain any business and/or professional services from any disqualified person.

3. **Annual Disclosure Forms for Board Members and Foundation Staff.** All Board members and Foundation staff members shall annually complete a disclosure form. The disclosure form will identify the list of not-for-profit organizations that might be eligible for an Obici Healthcare Foundation grants for which the Board or staff member or a member of their immediate family is an officer, director or employee. The Board and staff members will also identify the corporations or other entities which the Foundation might contract with and in which they or their immediate family members have a significant ownership or governance role.

4. **Expenses for Staff and Board Members.** The Foundation may reimburse (or pay for) the expenses of a staff or Board member so long as the expenses are necessary in performing the work of the Foundation and the amount of the expense is reasonable. Common expenses that are deemed necessary include attending a conference whose offerings are directly related to the charitable or investment interests of the Foundation. No reimbursement for travel-related expenses shall be provided for family members of either Foundation staff or the Board.