

## **ACHENA Conflict of Interest Disclosure Procedures**

### **I. Application of Policy**

This policy is intended to supplement, but not replace, federal and state laws governing conflicts of interest applicable to nonprofit corporations. It applies to board members, referred to as commissioners, the executive director, and management staff, as well as their relatives and associates, and to who are hereinafter referred to as "interested parties."

### **II. Definition of Conflict of Interest**

A conflict of interest may exist when the personal interests or concerns of an individual commissioner, his or her family member or other person significant to the commissioner, may be seen as competing with the interests or concerns of ACHENA. Situations that raise concerns regarding conflict of interest include, but are not limited to, the following:

**A. Financial Interests** - A conflict may exist where a commissioner, or someone close to him or her, may directly or indirectly benefit or profit as a result of a decision, policy or transaction made by ACHENA. Examples include situations where:

- ACHENA contracts to purchase/lease goods, services, or property from an interested party;
- ACHENA offers employment to an interested party, other than a person who is already employed by ACHENA;
- An interested party uses their relationship with an organization associated with ACHENA in some fashion to obtain employment, a contract or other benefit;
- An interested party is provided use of the facilities, property, or services of ACHENA in a manner that would not be available to other community members;
- ACHENA adopts a policy that specifically creates a financial benefit to an interested party.

**B. Accreditation Interests** – A conflict may exist where a commissioner or someone close to him or her, may directly or indirectly be the subject of a peer review site visit, eligibility determination or accreditation determination. Examples include situations where:

- An ACHENA commissioner is the owner, director, administrator, faculty or consultant to an institution or program which is under consideration for eligibility or accreditation;
- An ACHENA commissioner is a family member, close associate or in a current or past relationship with an owner, director, administrator, faculty or consultant associated with an institution or program which is under consideration for eligibility or accreditation;
- An ACHENA commissioner who is the owner, administrator, faculty or consultant of an institution of program which has a tangible, demonstrable complete relationship with another school which is under consideration for eligibility or accreditation.

Conflict of interest in accreditation decision-making consistent with the first two bullets above, shall be considered immediate grounds for recusing the interested parties from any input or vote regarding the accreditation decision. For potential conflicts of interest such as outlined in the third bullet, a conflict of interest exists only when the Board of Directors decides there is a conflict.

**B. Other Interests** - A conflict also may exist where an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with ACHENA. Examples include where:

- An interested party seeks to make use of confidential information obtained from ACHENA or an ACHENA client for his/her own benefit (not necessarily financial);
- ACHENA adopts a policy that provides a significant nonfinancial benefit to an interested party.

### **III. Disclosure of Potential Conflicts of Interest**

An interested party is under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known.

- Board members and the executive director complete an Affirmation of Compliance form when they join the board or staff and annually thereafter.
- Any interested party completes the Disclosure of Potential Conflict of Interest Statement to disclose any potential conflicts of interest.

Disclosure Statements and Affirmations of Compliance will be submitted as follows:

- For board members/ commissioners, the disclosure statements will be provided to the ACHENA president or vice president;
- The president's disclosure statement shall be provided to the secretary of the board;
- In the case of staff and consultants/volunteers, the disclosure statements shall be provided to the executive director;
- In the case of the executive director, the disclosure statement shall be provided to any ACHENA officer.

The secretary of the board or the person designated by the board as the reviewing official is responsible for bringing potential conflicts to the attention of the board or the executive director. The secretary of the board shall file copies of all disclosure statements with the official corporate records of ACHENA.

### **IV. Procedures for Review of Potential Conflicts**

Whenever there is reason to believe that a potential conflict of interest exists between ACHENA and a commissioner/ board member or the executive director, the board shall

determine the appropriate response. The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the board for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest. ACHENA shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the board.

Whenever there is reason to believe that a potential conflict of interest exists between ACHENA and a consultant/volunteer/ peer reviewer , the executive director shall determine the appropriate response. The executive director shall report to the board chair the results of any review and the action taken. The chair shall determine whether any further board review or action is required.

## **V. Procedures for Addressing Conflicts of Interest**

The following procedures shall apply:

- An interested party who has a potential conflict of interest with respect to a proposed action, policy or transaction of the corporation shall not participate in any way in, or be present during, the deliberations and decision-making vote of ACHENA. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the board may request that the interested party be available to answer questions.
- The disinterested members of the board may approve the proposed action, policy or transaction upon finding that it is in the best interests of ACHENA. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to ACHENA and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a disinterested party.
- Approval by the disinterested members of the board shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, or for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made to the board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes should frame the decision of the board in such a way to provide guidance for consideration of future conflict of interest situations.

## **VI. Violations of Conflict of Interest Policy**

If the board or executive director (for consultants/volunteers) has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the

person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the board or executive director (for consultant/volunteers) decides that the interested party has in fact failed to disclose a possible conflict of interest, the board shall take such disciplinary and corrective action as the board shall determine.

## Potential Conflict of Interest Disclosure Statement

Please complete the questionnaire below, indicating any potential conflicts of interest. If you answer "yes" to any of the questions, please provide a written description of the details of the specific action, policy or transaction in the space allowed. Attach additional sheets as needed.

A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by ACHENA. The interested party would not have obtained this benefit were it not for his/her relationship with ACHENA.

- If you are a homeopathy school owner, faculty, administrator, staff or consultant for a school which is under review for a site visit, eligibility or accreditation decision, you understand that you will not participate as a peer reviewer and will abstain from any decision-making/ voting relative to such.
- Has ACHENA proposed to contract or contracted to purchase or lease goods, services, or property from you or from any of your relatives or associates?
- Board members/ED only: Has ACHENA offered employment to you or to any of your relatives or associates?
- Have you used your relationship with ACHENA to obtain a contract, employment for yourself or any of your relatives or associates, from a person or entity that does business with ACHENA?
- Have you or any of your relatives been provided use of the facilities, property, or services of ACHENA in a way that is not available to others who benefit from the organization's services?
- Have you, a relative or an associate been in a position to benefit financially from an action, policy or transaction made by ACHENA?
- Other issues or situations not addressed above \_\_\_\_\_

---

Name (Please print)

Signature

Date

## **Conflict of Interest Affirmation of Compliance**

I have received and carefully read the Conflict of Interest Policy for commissioners/ board members, the executive director and managers. I have considered not only the literal expression of the policy, but also its intent.

By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy.

I further understand that ACHENA is a nonprofit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes without personal inurement or benefit by board members., consultants/volunteers or staff (other than by salary).

I hereby state that I do not have any conflict of interest, financial or otherwise that may be seen as competing with the interests of ACHENA, nor do any of my relatives or associates have such a potential conflict of interest.

I hereby disclose any on-going conflict of interest below and will take the following steps to address this conflict of interest.

---

---

---

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose in writing the circumstances to the Chair of the Board of Directors or to the Executive Director, as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

Name (Please print) \_\_\_\_\_

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