

## **SCHEDULE D**

### **Maternal and Child Health Consortium of Chester County's Conflict of Interest Policy**

#### **Purpose and Application**

This policy provides a definition of what constitutes a conflict of interest and guidance on conduct. It applies to board members, staff and certain volunteers of MCHC. A volunteer is covered under this policy if that person has been granted significant independent decision making authority with respect to financial or other resources of the organization. Persons covered under this policy are hereinafter referred to as "interested parties."

#### **Policy**

A conflict of interest is an activity, interest (financial or personal) or association that might compromise an interested party's judgment or create that appearance, favoring their personal interests or the interest of an associate over the best interests of the MCHC. Interested parties of MCHC must conduct business and personal affairs in a manner that avoids entering into any situation that creates, or appears to create, a conflict between MCHC and the interested parties, whether financial or personal.

MCHC's interested parties should not use their position for financial or personal benefit outside the company's business environment. However, this policy is not intended to discourage private activities or participation in civic, religious, political, or charitable activities. Whether a particular situation creates a conflict of interest depends on the circumstances. Conflicts of interest could include, but are not limited to, the following examples:

- Soliciting for a personal business
- Working for a supplier, competitor, customer, or contractor in any capacity, whether full-time, part-time or on a consultant basis, at anytime during affiliation with MCHC.
- Hiring a contractor or supplier or contracting with a customer or competitor where an interested parties' immediate family member is employed.
- Acting as a broker, finder, or go-between for the benefit of a third party in a transaction involving MCHC.
- Accepting any direct or indirect financial or other pecuniary interest in: any health care provider or payer, any health planning, management, or development MCHC, or any other entity of any kind whose activities are or appear to be in conflict with any of the projects, programs, or other activities of MCHC.
- Using confidential information obtained from MCHC for an interested party's benefit, or for the benefit of a relative, business associate, or other organization

- Obtaining preferential treatment through MCHC's name for an interested party, a relative, or a business associate.
- Membership on the boards of organizations that could be seen as competing with MCHC for funding

## **Disclosure**

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

An interested party shall complete a Conflict of Interest Policy Annual Affirmation of Compliance and Conflict of Interest Disclosure Statement to fully and completely disclose the material facts about any actual or potential conflicts of interest. The Statement shall be completed upon the interested party's initial association with MCHC and shall be updated annually at the September staff or board meeting thereafter. An additional disclosure statement shall be filed when an actual or potential conflict arises.

For board members, the disclosure statements shall be given to the President of the Board. In the case of the President's disclosure statement, the Secretary of the Board will receive it. Copies shall also be provided to MCHC's Executive Director.

In the case of staff or volunteers with significant decision-making authority, the disclosure statements shall first be given to the interested party's supervisor and ultimately to the Executive Director as well. In the case of the Executive Director's disclosure statement, the statement will be received by the President of the Board.

The Business Manager shall file copies of all disclosure statements with the official records and within the interested party's personnel file (for staff) of MCHC.

## **Procedures**

Whenever there is reason to believe that an actual or potential conflict of interest exists between MCHC and an interested party, the board of directors shall determine the appropriate organizational response.

Where an actual or potential conflict exists between the interests of MCHC and an interested party with respect to a specific proposed action or transaction, MCHC shall refrain from the proposed action or transaction until the proposed action or transaction has been approved by the disinterested members of the board of directors of the organization. The following procedures shall apply:

- An interested party who has an actual or potential conflict with respect to a proposed action or transaction of MCHC will complete a Conflict of Interest Disclosure Statement immediately and give to the appropriate party as outlined in the "Disclosure" section.

- The interested party shall not participate in anyway in, or be present during, the deliberations and decision making of MCHC with respect to such action or transaction. However, he or she may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction.
- The Executive Director will lead the senior staff in reviewing the interested party's completed Disclosure Statement. They may approve the proposed action or transaction upon finding that it is in the best interests of the organization. The Executive Director and senior staff will consider whether the terms of the proposed transaction are fair and reasonable to MCHC and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- If the conflict cannot be resolved at the level of the senior staff or if the conflict involves the Executive Director or senior staff, the disinterested members of the board of directors may approve the proposed action or transaction upon finding that it is in the best interests of the organization. The board shall consider whether the terms of the proposed transaction are fair and reasonable to MCHC and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the board of directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party, if a board member, shall not be counted for purposes of determining whether a quorum is present, nor 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, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

## **Violations**

If the board of directors or senior staff has reason to believe that an interested party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the board of directors determines that the interested party has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.