

Yates County Chapter, NYSARC, Inc.

Policy and Procedure

Policy Title: Conflict of Interest Policy for the Board of Directors	Approval Date:	9/26/2006	Policy # 8.05			
	Last Reviewed:	1/08, 1/09				
Policy Sponsor: Compliance Officer	Policy Revisions:		Pages:	1	of	4
	Procedure Revisions:					
Distribution: Board of Directors, Executive Director, CFO, Assistant Executive Director and Compliance Officer						

Introduction

The NYSARC Chapter Manual, the Yates ARC's Operating Policies and Bylaws, the Statement of Ethical Principles and Code of Conduct provide guidance that the Board of Directors remain free of conflict of interest, and that board members disclose any situation that may be construed as a conflict or have the appearance of a conflict.

I. Policy

"Section 1. Any duality of interest or possible conflict of interest on the part of any board member should be disclosed to other board members and made a matter of record, either through an annual procedure or when the interest becomes a matter of board action.

Section 2. Any board member having a duality of interest or possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and he/she should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

Section 3. The foregoing requirements should not be construed as preventing the board member from briefly stating his/her position in the matter, nor from answering pertinent questions or other board members since his/her knowledge may be of great assistance. It is further resolved that this policy be reviewed annually for the information and guidance of board members, and that any new board member be advised of the policy upon entering the duties of his/her office. The board chairperson and secretary are authorized and directed to see that this policy is followed.

It is further resolved that this policy be reviewed annually for the information and guidance of board members, and that any new board member be advised of the policy upon entering the duties of his/her office. The board chairperson and secretary are authorized and directed to see that this policy is followed."¹

II. Scope

This policy applies to all Board Members of Yates ARC.

¹ Yates County Chapter, NYSARC, Inc. Operating Policies and Bylaws Article XII Conflict of Interest Policy

Yates County Chapter, NYSARC, Inc.

Policy and Procedure

Policy Title: Conflict of Interest Policy for the Board of Directors	Approval Date:	9/26/2006	Policy # 8.05			
	Last Reviewed:	1/08, 1/09				
Policy Sponsor: Compliance Officer	Policy Revisions:		Pages:	2	of	4
	Procedure Revisions:					
Distribution: Board of Directors, Executive Director, CFO, Assistant Executive Director and Compliance Officer						

III. Procedure

A. Generally

1. All Board members should avoid situations involving a conflict between their personal interests and the interests of the Yates ARC.
2. Board members should avoid outside business interests that could compromise a Board members commitment to the Yates ARC – either by dividing loyalties or by diverting the energies and attention owed to the Yates ARC in the normal course of an individual's service to the Yates ARC.
3. Board members shall act in the best interests of the Yates ARC in dealing with clients, other board members, staff members, volunteers, independent contractors, vendors and other agents.
4. Any board member having a duality of interest or possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and he/she should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.
5. The foregoing requirements should not be construed as preventing the board member from briefly stating his/her position in the matter, nor from answering pertinent questions of other board members since his/her knowledge may be of great assistance. The board chairperson and secretary are delegated the responsibility to ensure that this policy is followed.

B. Disclosure of Conflict of Interest

1. Board members shall disclose possible conflicts of interest upon appointment to the board, or when a conflict arises by filling out a Conflict of Interest Disclosure Statement, a sample of which is attached as **Exhibit A**.
2. Annually, Board members will sign a new disclosure statement and receive the Statement of Ethical Principles, Policy on Conflict of Interest for Board Members, the Yates ARC Code of Conduct and the Corporate Compliance Plan.

Examples of potential conflicts that should be promptly and fully disclosed include:

Yates County Chapter, NYSARC, Inc.

Policy and Procedure

Policy Title: Conflict of Interest Policy for the Board of Directors	Approval Date:	9/26/2006	Policy # 8.05			
	Last Reviewed:	1/08, 1/09				
Policy Sponsor: Compliance Officer	Policy Revisions:		Pages:	3	of	4
	Procedure Revisions:					
Distribution: Board of Directors, Executive Director, CFO, Assistant Executive Director and Compliance Officer						

- ✓ Ownership by a board member or a member of the board member's immediate family of a significant financial interest in a business enterprise that does business with, seeks to do business with, or is a competitor of the Yates ARC. Business interests that adversely affect the quality of a board member's work or involve the use of agency equipment, supplies, facilities or name are not permitted;
- ✓ Serving as a director, officer, consultant, or in any other key role in any outside enterprise that does or seeks to do business with, or is a competitor of the Yates ARC;
- ✓ A board member seeking special personal/professional treatment for him or herself or for a member of his or her family;
- ✓ Any other arrangement or circumstance, including family or other personal relationship, which might prevent the board member from acting in the best interest of the agency;
- ✓ Attempts to influence the organization's decision-making process for personal/ professional gain;
- ✓ Possible use of leadership positions in an effort to achieve professional/personal financial gain.

While it is impossible to present an exhaustive list of all outside personal interests, activities or affiliations that might be considered as being in conflict with the best interests of the agency, two basic principles apply to every board person of the agency:

- (1) in regards to decisions for the agency the interests of the agency and the people served take precedence over private business interests; and
- (2) a business opportunity which belongs to the Yates ARC, or which is based on confidential information not normally available to the public, shall not be used for personal gain or for any purpose contrary to the Yates ARC interests.

C. Questions Regarding Potential Conflicts

1. Board questions and concerns about potential conflicts should be directed to the President of the Board of Directors who will discuss concern with the Executive Director. The President of the Board and the Executive Director will

Yates County Chapter, NYSARC, Inc.

Policy and Procedure

Policy Title: Conflict of Interest Policy for the Board of Directors	Approval Date:	9/26/2006	Policy # 8.05			
	Last Reviewed:	1/08, 1/09				
Policy Sponsor: Compliance Officer	Policy Revisions:		Pages:	4	of	4
	Procedure Revisions:					
Distribution: Board of Directors, Executive Director, CFO, Assistant Executive Director and Compliance Officer						

discuss the possible conflict. Together the Board President and Executive Director will determine if an investigation needs to be conducted. Including potential of receiving legal counsel.

2. If a conflict develops the board members first responsibility is to disclose the potential conflict, see **Exhibit A**, the Conflict of Interest Disclosure Statement.

D. Investigations

The Board President and the Executive Director will make a determination and, if necessary, conduct an investigation as to any violation of this Conflict of Interest policy. Any action taken and any contingencies to be put in place to resolve the conflict shall be documented in the official board minutes.

Exhibits

Exhibit A – Conflict of Interest Disclosure Statement

Exhibit A
Yates ARC Board Member Conflict of Interest Disclosure Statement

The undersigned hereby acknowledges receipt of the policy adopted by the Board of Directors, which pertains to avoiding conflicts of interests.

I have read the policy, and pledge to conduct my membership on the Board of Directors with integrity, based on sound ethical and moral standards.

I agree that I will promptly report to the President of the Board of Directors of the Yates ARC or the Executive Director/Designee any future situations that might result in a conflict of interest.

Please check all statements that pertain to your disclosure:

- I wish to report that to the best of my knowledge, information and belief, no situation in which I am involved personally or professionally could be construed as a violation of the Conflict of Interest Policy, or as placing me in a position of having a conflict of interest with the Yates ARC.

- I wish to disclose the following circumstance that may possibly violate the Code of Conduct:

(Disclosure does not automatically result in a violation, but will be subject to review).

- I am a person with a disability, a parent, family member or blood relative of a person with a disability who receives services from the Yates ARC.

Signed: _____

Title: _____

Date: _____

Policy Draft/Revision Statement

Policy Name: Conflict of Interest for Board of Directors

Policy Number: #8.05

Date Presented to Program and Policy Committee: September 21, 2006

Status: Pending Initial Approval Pending Revision

Reason Drafted/Revised:

This newly developed Policy and Procedure provides guidance on ethical principles and conflict of interest specified in the NYSARC Chapter Manual, Yates ARC Chapter Policies and Bylaws, the Yates ARC Statement of Ethical Principles and Code of Conduct. It provides mechanisms to resolve questions and conflict which may arise in the normal course of business.

Summary/Key Points

- ◆ Gives clear direction to board regarding potential Conflicts of Interest.
- ◆ Gives clear direction in how to disclose a conflict.
- ◆ Incorporates existing source material (Chapter Manual, Bylaws etc.) into one policy.
- ◆ Standardizes the Disclosure Statement
- ◆ Provides examples of potential areas of conflict.
- ◆ Uses language from the Model NYSARC Policies and Procedures.