



CONFLICT OF INTEREST POLICY and DISCLOSURE POLICY AND PROCEDURE

Date approved: June 10, 2020

Approved by: AAIP Board of directors

Revised on: June 8 2020 by Terry Maresca, MD (Governance CMTE.)

I. PURPOSE To protect the interests of the Association of American Indian Physicians (hereafter referred to as AAIP) when it contemplates transactions or arrangements that might benefit the private interests of a director or recent former director of the AAIP Board, AAIP employee, Board committee member, or contractor. It is also intended to protect AAIP interests when considering transactions or arrangements that might conflict with a current or recent former director, employee, board committee member or contractor's responsibility to any other organization. This procedure is intended to heighten awareness of conflict situations, minimize risk and liability, and to guard against actual or apparent conflict of interest or impropriety.

II. SCOPE

This applies to members of the Board of Directors (BOD), employees, Board committee members, and former Board members for one year following their term completion. Individuals and business entities that have entered into contractual agreements with AAIP are not exempt, unless otherwise stated in their contracts. Persons covered under this policy are hereafter referred to as "interested parties".

III. DEFINITIONS

A. Board committee member includes members of all standing committees of the AAIP as defined in the AAIP bylaws.

B. Compensation

This includes direct and indirect payments, as well as gifts or favors that are worth more than one-hundred dollars (\$100) in value. Gifts and favors include any uncompensated service, loan, discount, money or article of value. It does not include loans from financial institutions on customary terms, articles of insignificant value ordinarily used for sales

promotion, ordinary business lunches or reasonable entertainment that is consistent with local social or business customs.

C. Conflict of Interest

A conflict of interest may exist when the potential or actual interests, concerns, or activities of a Board member/Board committee member, former Board member as defined in Part II, employee, or contractor may be seen as competing with the interests, concerns or activities of AAIP, or may impair their independence or loyalty to AAIP, or otherwise make it difficult for them to perform the organization's work objectively.

D. Fiduciary responsibility

An individual has a fiduciary responsibility to an organization or individual if they:

1. Hold a position in which there is an expectation of special confidence and trust towards such organization or individual; or
2. Hold property in trust for another individual who has the beneficial title of interest, or receives and controls the income of another; or
3. Have a duty of loyalty or duty of care to an organization by virtue of serving as a member of the BOD or board officer of an organization
 - a. A duty of loyalty requires the individual to refrain from dealing with the organization in a manner that it is adverse to the interests of organization, to refrain from competing with the organization or from taking for their own an opportunity that rightfully belongs to the organization, unless such individual first offers the opportunity to the organization and the organization expressly declines to act upon it.
 - b. A duty of care requires the individual to carry out their duties with good faith and honest intentions and in a manner, they reasonably believe to be in the best interests of the organization.
 - c. A fiduciary responsibility is not necessarily a conflict of interest. An individual who has a fiduciary responsibility will have a conflict of interest only when the review process outlined below in section II concludes this exists.

Examples might include:

- An interested party seeks to obtain preferential treatment by the AAIP for her/himself, a relative, or business associate
- An interested party seeks to make use of confidential information obtained from the AAIP for her/his own benefit, or for the benefit of a relative, business associate or other organization
- An interested party seeks to take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity which they have reason to believe would be of interest to the AAIP

E. Financial Interest

An interested party has a financial interest if they OR a relative OR business associate of an interested party has, directly or indirectly, through business, investment, or family relationship (as described under Definitions above):

1. A significant financial interest, which includes holding a position as a board director or officer, or having an ownership or investment interest, in any entity with which AAIP has, or is negotiating, a transaction or arrangement (including but not limited to grants); or
2. A compensation arrangement with AAIP, or with any entity or individual with which AAIP has, or is negotiating, a transaction or arrangement (including but not limited to grants); or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AAIP has, or is negotiating, a transaction or arrangement (including but not limited to grants); or
4. A relationship that is not at arm's length with a prospective or actual AAIP contractor or grantee, i.e., a relationship in which the individual is not independent from, or unaffiliated with, a prospective or actual AAIP contractor or grantee, relative to the project or proposal at issue, the review and oversight of the project or proposal, and other AAIP-related activities.
5. A financial interest is not necessarily a conflict of interest. An individual who has a financial interest will have a conflict of interest only if it is determined that a conflict of interest exists upon the review process outlined in section II.

Examples include situations where:

- AAIP contracts to purchase or lease goods, services, or properties from an interested party, or a relative or business associate of an interested party;
- AAIP purchases an ownership interest in or invests in a business entity owned by an interested party or by a relative or business associate of an interested party;
- AAIP offers employment to an interested party or a relative or business associate of an interested party other than a person already employed by the AAIP;
- An interested party or a relative or business associate of an interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity which does business or seeks to do business with the AAIP.

F. Interested Party

Members of the Board of Directors, employees, Board committee members as defined in section III.A, and former Board members up to one year following their term completion are in this category. Individuals and business entities with contractual agreements with AAIP are also included unless the contract specifically exempts them.

G. Relative

This would include Parents, Spouse/Domestic Partner, Siblings, Children/Stepchildren, Grandchildren, Grandparents, Aunts/Uncles/Cousins, and in-laws such as mother, father, sister, brother, son, or daughter-in-law

IV. POLICY

It is the policy of the Association of American Indian Physicians that employees, members of the Board of Directors (BOD), Board committee members as defined in section III.A, former Board members up to one year following their term completion, and non-exempt contractors may not engage in any activity or discussion which may lead to decisions that compete with the interests or concerns of the AAIP.

V. PROCEDURE

A. Disclosure of Actual or Potential Conflicts of Interest

1. Employees, Board Directors and Board Committee members, former Board members up to one year following their term completion, and non-exempt contractors owe fiduciary duties of loyalty and care to AAIP.
 - a. Each member of the Board of Directors, all employees, Board committee members defined in section III.A, and former Board members up to one year following their term completion must immediately report any potential or perceived conflicts of interest within 72 hours of being known. This includes, but is not limited to, disclosing the existence and nature of their financial interest or fiduciary responsibility.
 - b. Employees will report to their supervisor. The Executive Director and Board Directors (except the President) will report to the AAIP President. The AAIP President will disclose to the Executive Director and AAIP Secretary.
 - c. Contractors (individuals and business entities) will report to either the AAIP President or Executive Director.
 - d. Board committee members will report to the Board member chairperson of their committee.
2. Directors, employees, former Board members defined in section V.A.1, and Board committee members defined in section III.A must report any situation in which they reasonably believe another director, employee, former Board member, or Board committee member has a potential conflict of interest.

Such information will be immediately reported in writing to the Executive Director and the President of the AAIP BOD.

3. During the period between the reporting of a potential conflict of interest and the determination of whether a conflict of interest exists, no activity will occur to advance the

transaction in question.

4. All interested parties shall be provided with a copy of this policy upon their association with AAIP. They will also complete a questionnaire that completely discloses material facts about any actual or potential conflicts of interest. This disclosure statement shall be updated annually thereafter.

- a. Current and newly discharged members of the BOD as defined in section V.A.1 and the Executive Director will submit their disclosure statements to the Board President. The Board President's disclosure statement shall be provided to the Board Secretary. Board committee members' disclosure statements will go to the BOD chairperson of their committee. The AAIP Executive Director will be provided copies of disclosures from all board members/board committee members/former recent board members, and employees.
- b. Individuals and business entities that have entered into contractual agreements with AAIP will file with either the AAIP President or Executive Director.
- c. The Board Secretary shall file copies of all disclosure statements with the official corporate records of the AAIP.

B. Determining Whether a Conflict of Interest Exists

1. Where an actual or potential conflict exists between the interests of the AAIP and an interested party with respect to a specific proposed action or transaction, the AAIP shall refrain from the proposed action or transaction until such time as the issue has been decided upon by the disinterested members of the AAIP's board of directors.

2. An interested party who has a potential or actual conflict of interest with respect to a proposed action or transaction of the organization shall not participate in or be present during the deliberations and decision making of the AAIP with respect to the issue in question.

3. An Interested party may make a factual presentation at a BOD meeting, but after such presentation must leave the meeting during the discussion of, and the vote on, the issue that may present a conflict of interest. They may not informally contact individual board members before the vote to engage in any discussion of the matter.

4. The remaining disinterested board members will decide if a conflict of interest exists. In doing so, they should consider all material facts and circumstances surrounding the potential conflict, including the nature and extent of the Interested party's financial or fiduciary interest, the nature of the proposed transaction or arrangement being considered, and the interested party's ability to influence such transaction or arrangement.

5. Approval by the disinterested members of the BOD shall be by vote by a majority of the directors in attendance at a meeting at which a quorum is present. The interested party does not count as part of the quorum.
6. The BOD meeting minutes shall reflect that the conflict disclosure was made, the vote taken, and non-participation by the interested party.
7. Documentation that a conflict exists will be recorded in the minutes of all meetings of the AAIP BOD and committees of the AAIP Board, as appropriate.

C. Procedure for Addressing a Conflict of Interest

1. When involved with issues that may personally conflict with the policies, activities, and decisions of the Association of American Indian Physicians, interested parties with a known conflict-of-interest are recused from participating in discussion, debate, or any decision-making associated with the issue in conflict.
2. A declaration of a conflict-of-interest does not interfere with any other activity, function, or involvement in decisions affiliated with the operation or governance of the AAIP. Only the specific issue in which the conflict has been declared is affected by this policy.
3. If the AAIP BOD determines that a conflict of interests exists, the Board President may appoint a disinterested individual or subcommittee to investigate alternatives to the proposed transaction or arrangement.
4. After exercising due diligence, disinterested members of the BOD will determine whether the AAIP can obtain with reasonable effort a more advantageous arrangement from an individual or entity that would not give rise to a conflict of interest.
5. If a more advantageous arrangement that would avoid a conflict of interest is not reasonably possible under the circumstances, the AAIP BOD by a majority vote of the disinterested directors will determine whether the transaction or arrangement is in the AAIP's best interests and for its own benefit, and whether the transaction is fair and reasonable to the AAIP. The BOD will then decide whether to approve the transaction or arrangement.
6. The BOD will retain the right to modify or reverse its determination regarding a conflict of interest. It will retain the ultimate enforcement authority regarding the interpretation and application of these procedures, within the limitations of applicable law.
7. If interested parties are offered gifts of a substantial nature (see section III A), the AAIP Executive Director or AAIP President should be contacted to consider a possible charitable donation to the organization. Any acceptance of gifts that even appear to be a

conflict of interest may result in disciplinary action.

- a. Persons named under Policy Section IV may not accept cash in any amount from AAIP contractors or vendors if the relationship with them was established through AAIP employment or AAIP BOD service.
- b. Persons named under Policy Section IV may not accept personal gifts worth more than one hundred dollars (\$100) in value, nor may they accept favors worth more than one hundred dollars (\$100) in value from AAIP contractors or vendors, if the relationship with them was established through AAIP employment or AAIP BOD service.
- c. At certain times, in recognition of the culture and traditions of American Indian and Alaska Native people, a gift is properly accepted on behalf of AAIP and must be used within the organization as appropriate.

D. Violations of Conflict of Interest Policy

1. If the Board of Directors 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.

2. If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the board 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.

3. It is a violation of this policy to retaliate against an individual who discloses a potential or perceived conflict of interest.