

NWF Health Network Policy & Procedure

Series: 1300: Financial Management

Policy Name: Conflict of Interest

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Referenced Document:

1300-1325 x 1, Conflict of Interest Statement

Policy

In order to avoid the possibility or appearance of a conflict of interest, it is the policy NWF Health Network, Inc. (NWFHN), to ensure the Board of Directors and the agency's staff members do not engage in activities deemed to be detrimental to the agency.

Procedure

A. Definition.

1. A conflict of interest may be considered to exist in those instances where the action or activities of an individual acting on behalf of the agency also involve:
 - a. Obtaining an improper personal gain or advantage;
 - b. An adverse effect on the agency's interest; or
 - c. Obtaining an improper gain or advantage on behalf of a third-party.
2. Conflicts of interest can arise in other instances. While it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guideline to the types of activities which might cause conflicts and which should be fully reported to the agency.

B. Examples of Conflicts of Interest.

1. **Interest.** Holding by a director, officer, volunteer or employee, directly or indirectly, of a position or of a material financial interest in any outside concern from which the agency secures goods or services or which provides services similar to those provided by the agency with the same constituency pool.
2. Competition with the agency by an individual, directly or indirectly, in the purchase or sale of property, property rights or interest.
3. **Outside Activities.**
 - a. Providing services such as management consultation to any outside concern which does business with or whose activities are adverse to the agency.
 - b. Campaigning for an elected political office while on duty or while representing the agency, endorsing a candidate for political office on behalf of the agency, or otherwise assisting a candidate in the campaign for office by using the agency's resources or reputation.
4. **Gifts, Gratuities and Entertainment.**

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- a. Acceptance by an individual of gifts, excessive or unusual entertainment, or other favors from any outside concern which does, or is seeking to do, business with, or is a competitor of the agency under circumstance from which it might be inferred that such action was intended to influence the individual in the performance of their duties. This does not include the acceptance of items of nominal or minor value which are of such a nature as to indicate they are merely tokens of respect or friendship and not related to any particular transaction or agency activity.
- b. The giving by an individual of gifts, special payments, excessive or unusual entertainment, or other favors to any governmental employee, legislator, elected official, or court officer, directly or indirectly, for the purpose of obtaining any unlawful, special or irregular services, judgments, legislative action, or favorable treatment from such government employee, legislator, elected official, court officer, or any agency represented by them. This does not include the gift of items of nominal or minor value which are of such a nature as to indicate they are merely tokens of respect or friendship and not related to any particular transaction or agency activity.

5. Inside Information. Use of inside information includes the disclosure or use of agency information for the personal profit or advantage of the individual or anyone else.

C. Disclosure of Conflict of Interest

- 1. Employees and Board of Directors must disclose any conflict or potential conflict of interest to the appropriate parties within NWF Health Network prior to actions being taken or as soon as the conflict or potential conflict of interest is discovered.
- 2. An employee or Board of Director who does not disclose a conflict or potential conflict of interest may be subject to discipline up to and including termination and/or removal from the Board of Directors.

D. Agency Standards Related to Conflict of Interest.

- 1. Each of the following should be considered and adhered to:
 - a. Members of the Board of Directors are bound and referred to *Section 2.9 of the NWFHN Board Policy Manual*. The following standards support the statements found therein:
 - i. Directors, officers, volunteers and employees should exercise the utmost good faith in all transaction touching upon their duties to the agency and its property and clients. In dealings with and on behalf of the agency they are held to a strict rule of honest and fair dealing between themselves and the agency. They shall not use their positions, or knowledge gained there from, so as a conflict might arise between the agency's interest and that of the individual or their family (defined as immediate family parents and in-laws).
 - ii. All acts of directors, officers, volunteers and employees shall be for the benefit of the agency in any dealing which may affect the agency adversely.
 - iii. No director, officer, volunteer or employee shall accept, directly or indirectly any favor which might influence or appear to influence their actions affecting the agency.
 - iv. No director, officer, volunteer or employee shall offer or solicit any gift, special payment, or favor to any governmental officer agent or employee, legislator, elected official or court officer, directly or indirectly, for the purpose of obtaining any unlawful, special or irregular services, judgment, legislative action, or favorable treatment from such governmental officer, agent or employee, legislator, court officer, or any agency represented by them.

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- v. Directors, officers, volunteers and employees shall avoid any activity, investment, or other interest which might involve obligations which may be in conflict with the interest of the agency.
- vi. A full written disclosure by every officer, director, volunteer or employee of all facts of any transaction which is subject to any doubt concerning the possible existence of a conflict of interest by the individual shall be made to the members of the Board of Directors or Executive Committee of the agency as soon as practicable but before consummating the same.
- vii. It is recognized that situation may arise in which the agency may wish to contract or enter into an arrangement for goods or services with an individual, director, or volunteer, or with firms or corporation of which a director or volunteer may be a member, officer or employee. In this event, before entering into any such contract or arrangement:
 - a) The terms of the contract or arrangement shall be disclosed to the Board of Directors or the Executive Committee;
 - b) The Board of Directors or Executive Committee shall determine that such contract or arrangement is upon terms and conditions as advantageous to the agency as can be obtained from any other source in an “arms-length” transaction; and
 - c) The Board of Directors (with the subject Director abstaining) or the Executive Committee shall by resolution approve any such contract arrangement.