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Conflict of Interest Statement for Agency

Attachments: Guidelines for Determining Conflict of Interest

Purpose: To protect the integrity of decision-making processes, to enable agency constituencies to have confidence in our integrity, and to protect the integrity and reputations of volunteers, contractors, employees, and board members of IAB.

Definition of Conflict of Interest: A conflict of interest exists when an employee, volunteer, contractor, or board member proposes to act on any issue, matter, or transaction in which IAB has an interest and the individual may have a personal interest separate from IAB activities.

A conflict of interest risk is any situation in which financial or other personal considerations may compromise or appear to compromise: (A) the business judgment of any employee or other party engaged by us; (B) the delivery of service, or (C) the ability of an employee to do his/her job. An actual or potential conflict of interest occurs when an individual is in a position to influence a decision that may result in personal gain for that person at the expense of the agency's best interest or of our stakeholders or in the eye of the public.

A conflict of interest also exists in situations in which there is an appearance that an individual is utilizing inside information that is proprietary to IAB for his or her personal benefit, is acting in his or her own interests rather than the best interests of IAB or has the ability to exercise undue influence over IAB decisions, or is receiving favorable treatment by IAB because of his or her status.

The standard of behavior at IAB is that all employees, volunteers, contractors, and board members scrupulously avoid conflicts of interest between the interests of IAB on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

Procedure:

Agreement of Disclosure

No member of the Board of Trustees, employee, contractor, or volunteer shall derive any personal profit



or gain, directly or indirectly, by reason of his or her participation with IAB Business dealings with outside entities should not result in **unusual** gain for those entities, this organization, or an employee. “Unusual gain” refers to bribes, product bonuses, special fringe benefits, unusual price breaks and other windfalls, but is not limited to these items.

Each individual shall disclose to IAB , and document, any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter.

Any member of the Board of Trustees, employee, contractor, or volunteer, of a client organization or vendor of IAB shall identify his or her affiliation with such agency or agencies; further, in connection with any committee or board action specifically directed to that agency, he or she shall not participate in the decision affecting that agency and the decision must be made and/or ratified by the full board.

Any member of the Board of Trustees, employee, contractor, or volunteer shall not obtain any list of clients or staff for personal or private solicitation purposes at any time during the term of their affiliation.

Auditors are barred from engaging in non-audit services that raise questions concerning possible conflicts of interest and auditor independence. These services include financial systems design and implementation, internal audit outsourcing and other services that raise similarly significant concerns regarding independence. The Executive Committee has a duty to ensure the independence of auditors and to ensure that the scope of services provided are appropriate and in compliance with corporate compliance policies and procedures.

All members of the Board of Trustees, employee, contractors, and volunteers shall attest annually that they have not at any time during the past year been:

- 1) A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, client of service programs or other party doing business with IAB which has resulted or could result in personal benefit.
- 2) A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with IAB.

Any exceptions to 1 or 2 above require full statements of disclosure to be included with the annual Conflict of Interest Agreement. The Conflict of Interest Agreement shall be maintained in employee personnel file(s) or other administrative files for non-employees.

II. Reviewing and Managing Conflicts

Conflicts or possible future conflicts will be disclosed through the use of the agency chain of command prior to action on an issue, matter, or transaction. If a conflict is disclosed, the individual will work with



his/her supervisor to provide appropriate oversight and/or acknowledgement to document the potential conflict of interest. If that superior has an interest in the same matter, the next higher up superior shall work with the individual. The superior shall determine whether an actual conflict exists, decide on a course of action which must be formalized and written.

In the event that an agreement cannot be reached, the case will be referred to the next higher level of authority for resolution, up to and including the Board of Directors.

A member of the Board of Trustees involved in a conflict or appearance of a conflict shall disclose the possible conflict prior to any action being taken on the subject and bring the matter to the attention of the Board Chair of Trustees who shall work with the Board member to develop an appropriate recommended course of action. The recommendation shall then be submitted to the Board of Trustees. Each request for approval of a proposed course of action must describe in detail, the particular activity in question that gives rise to the conflict or appearance of conflict, the reasons why the proposed course of action should be approved, and any special circumstances surrounding the situation. If such a conflict involving a member of the Board of Trustees involves the Board Chair of Trustees, or cannot be resolved with the review of the Board of Trustees, the Executive Committee and/or the involved member must immediately notify the agency attorney of the matter.

Report to the Board of Trustees: All conflicts reviewed by the Chief Executive Officer will be reported to the Board of Trustees. The report is to include the nature of the conflict, parties involved, and the disposition of the conflict. The CEO and the board shall review and approve the recommended course of action.

CONCLUSION:

Adhering to the Conflict of Interest policy and this standard operating procedure is a condition of association with the agency as a volunteer, contractor, employee, and/or board member of IAB. Violations of the Conflict of Interest Policy and this procedure may be grounds for dismissal as an employee, volunteer, contractor, or removal or dismissal from being a member of the Board of Trustees. The Chief Executive Officer and Board of Trustees shall review and assess the Conflict of Interest Policy and this standard operating procedure and their implementation on a regular basis and notify employees, contractors, volunteers, and board members of any changes and/or revisions thereto.