

**AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES
BOARD POLICY #1
CONFLICT OF INTEREST**

Policy

It shall be the policy of the American College of Healthcare Executives that all Officers, Governors and staff of ACHE shall scrupulously avoid any conflict between their own respective individual interests and the interest of the American College of Healthcare Executives in any and all actions taken by them on behalf of the American College of Healthcare Executives in their respective capacities.

Procedures

A. Officers and Governors of ACHE

1. In the event that any Officer or Governor of ACHE shall have any direct or indirect interest in or relationship with any individual or organization which ACHE currently has, or proposes to enter into, a transaction or arrangement with ACHE involving:
 - a. the sale, purchase, lease or rental of property or other asset;
 - b. the provision of services, personal or otherwise;
 - c. the award of a grant or subcontract; or
 - d. investments

Such Officer or Governor shall give the Board of Governors notice of such interest or relationship and shall thereafter refrain from discussing, voting or otherwise attempting to exert any personal influence on the American College of Healthcare Executives' Board of Governors to affect its decision to participate or not participate in such transaction.

2. Any conflict of interest or possible conflict of interest on the part of any members of the Board of Governors shall be disclosed to other members of the Board and made a matter of record through an annual procedure and also when the interest becomes a matter of Board action.
 - a. The procedures for handling the annual notification of any such conflict of interest or possible conflict of interest, shall be that prior to the first meeting of the Board of Governors in any fiscal year, the Chairman of the Board shall, in writing, advise the members of the Board of the policy with regard to conflict of interest and request that each member complete a

questionnaire outlining any possible area of conflict of interest or a statement indicating that no such area of conflict of interest exists.

- b. Each member of the Board of Governors shall annually sign a statement which affirms that such person:
 1. has received a copy of the conflict of interest policy,
 2. has read and understands the policy,
 3. has agreed to comply with the policy, and
 4. understands that in order for ACHE to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
 - c. These questionnaires and signed statements shall be submitted to the members of the Board of Governors as a part of the agenda for the first meeting of the Board during the fiscal year.
 - d. The Board of Governors shall review these questionnaires and the acceptance of such disclosures shall be made a part of the minutes of the meeting and the questionnaire shall become a part of the permanent records of ACHE.
3. To ensure that ACHE operates in a manner consistent with its tax-exempt purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at minimum, include whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
 4. Any member of the Board of Governors having a conflict of interest or possible conflict of interest on any matter shall not discuss, vote or use his/her personal influence on the matter; he/she shall absent himself from the meeting during discussion; and he/she shall not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting and the quorum situation.
 5. In the event of changes to the budget or changes in vendors, or other relevant changes in which an actual or potential conflict of interest on the part of a member of the Board may occur during the year, if such change is being made in an area that would be considered a conflict of interest or possible conflict of interest on the part of the member of the Board, then that member shall disclose to the other members of the Board such fact and shall thereafter refrain from discussing,

voting or otherwise attempting to exert any personal influence on the Board of Governors.

6. In keeping with the spirit of this policy, members of the Board of Governors are expected to refrain from applying for grants and competitive speaking and writing opportunities from ACHE unless a prior contractual arrangement exists (e.g., a current Health Administration Press author). In addition, any member of the Board of Governors who would like to apply for a staff position at ACHE must resign from the Board before he or she applies.
7. Any new member of the Board of Governors, elected during the course of the year, shall be advised of this policy by the Chairman of the Board immediately upon election. The newly elected member shall be asked to submit a questionnaire outlining any possible area of conflict of interest. Such questionnaire shall be submitted to the members of the Board of Governors as a part of the agenda for the first meeting and shall be reviewed by the Board and the acceptance of such disclosure shall be made a part of the minutes of the meeting and the questionnaire shall become a part of the permanent records of ACHE.

B. Staff

Any conflict of interest or possible area of conflict on the part of any key members of the staff shall be disclosed in writing to the Board of Governors at the first meeting during the fiscal year. The procedures for handling the annual notification of such shall be as follows:

1. At the beginning of each fiscal year, the President shall, in writing, advise members of the staff of the policy with regard to conflict of interest and request that each key staff member submit to him/her a questionnaire outlining any possible area of conflict of interest or a statement that no such conflict of interest exists.
2. Each staff shall annually sign a statement which affirms that such person:
 - a. has received a copy of the conflict of interest policy,
 - b. has read and understands the policy,
 - c. has agreed to comply with the policy, and
 - d. understands that in order for ACHE to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
3. These questionnaires shall be submitted to the members of the Board of

Governors as a part of the agenda for the first meeting of the Board during the fiscal year.

4. The Board of Governors shall review these questionnaires and the acceptance of such shall be made a part of the minutes of the meeting and the questionnaires shall become a part of the permanent records of ACHE.

C. Continuous Implementation

In order to assure the continuous implementation of ACHE's policy in regard to possible conflicts of interest, Board members will be asked to disclose any conflicts of interest at the beginning of each meeting of the Board of Governors.

D. Addressing the Conflict of Interest

- a. The chairperson of the Board of Governors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, the Board of Governors shall determine whether ACHE can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Governors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in ACHE's best interest and for its own benefit and whether the transaction is fair and reasonable to ACHE and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

E. Violations of the Conflict of Interest Policy

- a. If the Board of Governors has reasonable cause to believe that the individual has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the individual and making such further investigation as may be warranted in the circumstances, the Board of Governors determines that the individual has in fact failed to disclose an

actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

F. Records and Proceedings

The minutes of the Board of Governors shall contain:

- a. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Governor's decision as to whether a conflict of interest in fact existed.
- b. the names of persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Approved by the Board of Governors
on August 27, 1982

Revised by the Board of Governors on
February 27, 1998

Revised by the Board of Governors on
June 27, 1999

Revised by the Board of Governors on
November 10, 2008