MCOA Board Member Conflict of Interest

A conflict of interest exists when a person is involved with multiple parties, on a financial or personal basis, which could affect, or give the appearance of affecting, the decision making motivation of any given individual. For example, an individual could be a member of the MCOA board:

* …and the board of the local ASAP. This individual could be perceived as having a financial interests or undue influence over MCOA decisions which may favor one ASAP over another.
* …and the spouse of the CFO of a local health clinic which applied to MCOA for funding a healthy aging project.
* …and the sibling of the owner of the printing company MCOA hired to publish all of its publications for the annual training conference last year.

In order to avoid creating a conflict of interest, board members and members of committees with board delegated powers must identify (disclose) any organizations with which you may be affiliated with which MCOA presently has a transaction, contract or arrangement.

Further, during the year, as circumstances arise, you must disclose your interest as quickly as possible after you perceive it.

Finally, each year, each member of the board and any committee with board delegated powers shall sign a written statement certifying they have read, understand, and are in compliance the MCOA conflict of Interest policy.

A list of current organizations MCOA has either a formal arrangement or transaction or contract is attached for your consideration.

Thank you.

A List of Organizations with Whom I Have a Financial or Personal Interest: (Member identifies as best they can)

A List of Organizations with which MCOA Currently has a Transaction or Arrangement:

**MCOA Conflict of Interest Policy for a Bylaw Amendment**

**April 22, 2016**

Article 1 - Purpose

The purpose of this conflict of interest policy is to protect MCOA interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member or committee member or might result in a possible excess benefit related with the transaction or arrangement. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article 2 - Definitions

1. Interested Person: any board member or member of an MCOA committee with governing board delegated powers, who has a direct or indirect a financial or personal interest, as defined below, is an “interested person”.
2. Financial or Personal Interest: a person has a financial if the person has, directly or indirectly, through their own employment, professional affiliations, investments, or family members, a compensation arrangement with the entity or individual with which the MCOA has, or seeks to have, a transaction or arrangement.
3. A personal interest: a person has a personal interest if the person has, directly or indirectly, through their own employment, professional affiliations, or family members, a leadership role within any organization or entity with which MCOA has, or is considering entering into, a transaction or formal arrangement. A personal interest may also arise when a person has a relationship with a manager or leader within the entity MCOA is considering for a transaction or arrangement, who is either a family member, a close friend, or a longstanding colleague.

The presence of a financial or personal interest is not necessarily a conflict of interest. The COI only exists if the appropriate governing board decides that a conflict of interest actually exists.

Article 3 - Procedures

1. Duty to Disclose: If any actual or potential conflict of interest is perceived, an interested person must disclose the existence of the interest and explain the to the governing board or committee exercising delegate powers of the board. After the disclosure, the governing board or committee shall discuss and vote on whether there is indeed a conflict of interest. During this discussion, the interested person shall leave the room/conference call.

2. Procedures for Addressing the Conflict of Interest:

1. The governing board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from another person or entity that would not give rise to the conflict of interest.
2. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances, then the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization’s best interest, for its own benefit, and whether it is a fair and reasonable agreement. If the transition or agreement meets these criteria, then the governing board or committee shall decide on whether or not to enter into the transaction or agreement.

Article 4 - Violations of the Conflicts of Interest Policy

If a governing board or committee with governing board delegated powers has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for their belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member’s explanation and making any further investigation as warranted, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective and/or disciplinary action.

Article 5 - Records of the Proceedings

The minutes of the governing board or committee with governing board delegated powers shall contain:

1. The names of persons who disclosed or were found to have a financial or personal conflict of interest, the nature of the interest, any action taken to determine whether the conflict is present, and the governing board or committee’s decision as to whether the conflict of interest in fact exists.
2. The names of the person who were present for the discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and the record of any votes taken in connection with the proceedings.

Article 6 - Annual Statements

Each board member and committee member of committees exercising board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy, and
3. Has agreed to comply with the policy.