



## **Conflict of Interest Policy**

### **1. Background**

Federal and state law requires that individuals who manage and govern foundations exercise due care in administering the charity's affairs. This requirement is known as the duty of care. The law also prohibits these individuals from using their position to obtain personal gain for themselves or others at the charity's expense. This requirement is known as the duty of loyalty. Paying careful attention to situations or actions where there may be a conflict of interest ensures that those who govern and manage the affairs of the foundation do not breach their duties of care and loyalty. This also helps to instill public trust by showing that those with fiduciary responsibility for the foundation are committed to managing the organization with the utmost integrity and good faith and in the best interest of the organization and its charitable mission.

### **2. Value Statement**

The MetroWest Health Foundation believes that effective governance and operations depend on decision making by its Trustees, Committee and Grants Panel Members and Staff which is and presents itself as being unbiased. The Foundation values the active roles that Trustees, Committee and Grants Panel Members and Staff play by serving on boards and committees in their communities. We further recognize that Trustees, Committee and Grants Panel Members and Staff may have financial interests unrelated to the Foundation, and that conflicts of interest or the appearance of conflicts may occasionally arise. In order to avoid impermissible conflict between the personal interests of Trustees, Committee and Grants Panel Members and Staff and the interests of the Foundation, the Trustees of the Foundation have adopted the following conflict of interest policy consistent with Section 7 of the Foundation's bylaws.

### **3. Conflicts of Interest**

It is the policy of the Foundation that no Trustees, Committee and Grants Panel Members and Staff shall derive personal profit or gain, directly or indirectly by reason of his or her trusteeship, committee or panel membership or employment by the Foundation.

In accordance with Section 7 of the Bylaws of the Foundation, Members of the Board of Trustees, members of Board committees, officers, staff and their immediate family members shall take action to avoid conflicts of interest and any appearance of impropriety with respect to their roles on behalf of the Foundation.

Conflicts of Interest shall include the following:

- a. An ownership or investment interest in any entity which the Foundation has a business, investment or grant transaction or arrangement,
- b. A compensation arrangement, including direct and indirect remuneration with any entity or individuals with which the Foundation has a business, investment or grant transaction or arrangement,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a business, investment or grant transaction or arrangement,
- d. A governance interest in any organization with which the Foundation has or is negotiating a business, investment or grant transaction or arrangement,
- e. A personal or political involvement that may cause them to have a dual and conflicting loyalties in connection with a grant or other foundation expenditure, and,
- f. For the purposes of reviewing grant requests, a financial, employment, or governance interest in the applicant organization over the prior two years.

#### **4. Prohibited Transactions**

Members of the Board of Trustees, Committee and Grants Panel Members and Staff shall not solicit or accept gifts or remuneration from grantees, scholarship recipients or applicants for grants or scholarships.

#### **5. Annual Disclosure**

Members of the Board of Trustees, Committee and Grants Panel Members and Staff shall annually disclose any anticipated or possible involvement that they or a member of their immediate family may have with individuals and organizations that might produce a conflict, as described above, in their work on behalf of the Foundation. This shall be done in a format developed by the Foundation for this purpose, and shall be updated as necessary during the year.

In addition to the above annual disclosure, each trustee, committee and grants panel member, and staff shall annually sign a statement that affirms that the person:

- a. Has received a copy of the Foundation's Conflict of Interest Policy,
- b. Has read and understands the Foundation's Conflict of Interest Policy, and,
- c. Has agreed to comply with the Foundation's Conflict of Interest Policy.

## **6. Procedures**

Any Trustees, Committee and Grants Panel Members and Staff having a duality of interest or possible conflict of interest on any matter, shall not be counted in determining the quorum for the matter, even where permitted by law. The minutes of the meeting shall reflect the making of a disclosure, the abstention from voting, and the determination of a quorum.

Any Trustees, Committee and Grants Panel Members and Staff having a conflict of interest shall not participate in the review, discussion or vote on grants, business or investment transactions or arrangements. They shall physically leave the room during which time there is review, discussion and voting on such matters where there is a conflict of interest.

The foregoing requirements shall not be construed as preventing a Trustee, Committee or Panel Member or staff from briefly stating his or her position on the matter, nor from answering pertinent questions of other members because his or her knowledge may be of great assistance so long as the conflict or apparent conflict is disclosed to the others.

## **7. Record of Proceedings**

Whenever a trustee, committee or grants panel member or staff discloses an interest in a transaction or abstains from voting on a transaction by reason of his or her personal interest in the transaction or interest in an organization affected the transaction, such disclosure and abstention will be recorded in the minutes of the meeting at which the consideration and vote occurred and /or in an appropriate record. The record shall also indicate whether the person who discloses an interest leaves the room as required above.

## **8. Interpretation**

This policy cannot describe all potential conflicts of interest, and its application may be uncertain at times, Covered Persons should exercise the highest standards of ethical judgment and err on the side of caution. If there are any questions, the individual concerned should consult with the Chairman of the Board of Trustees. The Chairman shall take appropriate action to resolve the conflict on behalf of the Foundation.

## **9. Violations**

If the Board of Trustees has reasonable cause to believe that a Trustee, Committee or Grants Panel Member or Staff has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Board of Trustees determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action in accordance with its bylaws

#### **10. Notice**

Any person under consideration for election as a Trustee, Committee or Panel Member, or anyone being considered for employment shall be advised of this policy.

Each Trustee, Committee Member, Panel Member and staff member shall be made aware of this policy before being asked to review grant proposals on behalf of the Foundation.

Approved by the Board of Trustees, January 26, 2006  
Revised, March 22, 2007