

Policy Title:	Conflict of Interest	Adopted Date:	5-31-08
Policy Category:	Operational	Review Date:	7-28-15
Policy Number:		Amended Date:	8/12/2015

Tennessee Chapter Insertion: It is the Incoming Chapter President's responsibility to obtain a signed Resolution of Conflict of Interest form from all interested persons as defined, and retain for chapter document retention and submission to the National office by set deadline. The policy following is that of National HFMA and should not be changed without National HFMA approval.

Article I

Purpose

The purpose of the conflict of interest policy is to protect the interests of this tax-exempt organization, (the "Organization"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. 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 II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- A compensation arrangement with any entity or individual with which the Organization has a transaction arrangement, or
- A proposal ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or

arrangement. Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

- a. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. The remaining board or committee members shall decide if a conflict of interest exists.
- c. After disclosure of the financial interest and all materials facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon.
- d. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

**Healthcare Financial Management Association
Resolution of Conflict of Interest
For Board of Directors**

Federal and state laws, as well as ethics demand that officers and governing board members of organizations and associations who make or can influence decisions for or on its behalf act with complete fidelity to the association and its members. Any duality or conflict of interest should be the subject of deliberate concern and continual review. Full disclosure by the individual(s) in the case of a duality or conflict of interest must be an established standard of conduct by all association board of directors.

The Board of Directors of the Healthcare Financial Management Association, individually and collectively, adopts the following resolution binding each member of that Board to the full intent of the resolution.

- WHEREAS, The proper governance of any professional association depends on the governing board members who give of their time for the benefit of their members: and
- WHEREAS, The giving of this service, because of the varied interests and backgrounds of the governing board members, may result in situations involving a dual interest that might be interpreted as conflict of interest; and
- WHEREAS, This service should not be rendered impossible solely by reason of duality of interest or possible conflict of interest; and
- WHEREAS, This service nevertheless carries with it a requirement of loyalty and fidelity to the association served, it being the responsibility of the members of the board to govern the association's affairs honestly and economically, exercising their best care, skill, and judgment for the benefit of the members and association; and
- WHEREAS, The matter of any duality of interest or possible conflict of interest can best be handled through full disclosure of any such interest, together with noninvolvement in any vote wherein the interest is involved;

NOW THEREFORE BE IT RESOLVED:

That the following policy of duality and conflict of interest is hereby adopted:

1. Any duality of interest or possible conflict of interest on the part of any board member should be disclosed to the other members of the board and made a matter of record, either through an annual procedure or when the interest becomes a matter of board action.
2. Any board member having a duality of interest or possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and he/she should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.
3. The foregoing requirements should not be construed as preventing the board member from briefly stating his/her position on the matter, nor from answering pertinent questions of other board members since his/her knowledge may be of significant assistance.

BE IT FUTHER RESOLVED: That this policy be reviewed at the beginning of each fiscal year for the information and guidance of board members, and that any new member be advised of the policy upon entering on the duties of his office.

I, _____ (print name) have read and understood the above resolution and my signature below indicates my willingness and commitment to abide by the spirit and intent of this resolution.

Signature