

Milan Seniors for Healthy Living

VI. Conflict of Interest Policy

A. Purpose

Milan Seniors for Healthy Living (MSHL) is a Michigan non-profit corporation. When a business transaction or relationship is contemplated that might financially benefit an interested person, this Conflict of Interest Policy formalizes the procedure for determining the existence of a factual or potential conflict of interest to protect the integrity and financial interest of MSHL. It is intended to supplement but not replace any applicable state and/or federal laws.

B. Definitions

1. Conflict of Interest

A conflict of interest exists when an interested person has a personal financial interest in making a decision on behalf of MSHL, or as a person in authority in another organization, may improperly benefit from participating in and/or making a decision on behalf of MSHL.

2. Interested Person

An interested person includes the Board of Directors, executive director, or any person who has decision making authority to spend MSHL funds and convey MSHL property. They may also have direct or indirect financial interest or decision-making authority in another organization either doing or contemplating doing business with MSHL. This includes a person whose parent, spouse, sibling or child has a direct or indirect investment in or decision-making authority in a potential or actual organization with which MSHL conducts business.

3. Financial Interest

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

- a. An actual or potential ownership or investment interest in any entity with which MSHL has or contemplates having a financial transaction, arrangement or relationships; or
- b. An actual or potential compensation arrangement with MSHL or with any entity or individual with which MSHL has a financial transaction, arrangement or relationship.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors or a committee with Board delegated authority, decides that a conflict of interest exists.

C. Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of such and be given opportunity to disclose all material facts to those considering the proposed financial transaction, arrangement or relationship. Said interested person may recuse himself or herself from any participation and decision making regarding the subject matter of the possible conflict of interest.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, if the person does not recuse himself or herself, the following procedures shall apply:

- a. The interested person may make a presentation to the Board of Directors or committee meeting relating to the alleged conflict of interest. After the presentation, he/she shall leave the meeting during the discussion of, and the vote on, whether a conflict of interest exists.
- b. The Chair of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction, arrangement or relationship.
- c. After exercising due diligence, the Board of Directors or committee shall determine whether a conflict of interest exists. If determined affirmatively, the Board shall then determine whether MSHL can obtain, with

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reasonable efforts, a more advantageous transaction, arrangement or relationship from a person or entity that would not give rise to a conflict of interest.

- d. If a more advantageous transaction, arrangement or relationship is not reasonably possible, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction, arrangement or relationship under review is in the best interest of MSHL for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction, arrangement or relationship.

3. Violations of the Conflicts of Interest Policy

- a. If the Board of Directors or committee has reasonable cause to believe an interested person has failed to disclose an actual or possible conflict of interest, the Board shall inform the interested person of the basis of such belief and afford the affected interested person an opportunity to explain the alleged failure to disclose.
- b. After hearing the interested person's response and after making further investigations, if the Board of Directors or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

D. Records of Proceedings

The minutes of meetings of the Board of Directors and all committees with board delegated powers shall contain:

1. The names of the persons who disclose, release 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 Directors' or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction, arrangement or relationship; the content of the discussion including alternatives to the proposed transactions or arrangement; and a record of any votes taken in connection with the proceedings

E. Compensation

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from MSHL for services, is precluded from voting on matters relating to that member's compensation. This shall include any reimbursement of actual expenses made on behalf of MSHL.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MSHL for services or reimbursement of expenses paid on behalf of MSHL is precluded from voting on matters pertaining to that member's compensation, including reimbursable expenses.

F. Annual Statements

Each director, principal officer, and member of a committee with Board of Directors' delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy, and
4. Understands MSHL is charitable and in order to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax-exempt purposes.

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Conflict of Interest Policy Statement of Affirmation:

I, _____, hereby affirm the statements below:
(print name)

1. I have received an up-to-date copy of the conflicts of interest policy
2. I have read and understand the policy
3. I agree to comply with the policy, and
4. I understand MSHL is charitable and in order to maintain its federal tax exemption it must engage in activities which accomplish one or more of its tax-exempt purposes.

Signature

Date