

PONDERA HEALTHCARE FOUNDATION CONFLICT OF INTEREST POLICY

Article I – Purpose

1. A “conflict of interest” arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

2. The Pondera Healthcare Foundation adopts this Conflict of Interest Policy to serve the following purposes:

- a) To avoid any appearance of impropriety between the Foundation and its directors and officers;
- b) To provide transparency to donors who entrust the Foundation with their donations for specific charitable purposes;
- c) To educate directors and officers about conflicts of interest and to require disclosure of all potential and actual conflicts of interest;
- d) To establish a process to review and discuss potential and actual conflicts of interests with the goal of protecting the interests of the Pondera Healthcare Foundation when it is contemplating entering into a transaction or arrangement that might directly or indirectly benefit the financial interests of an officer or director of the Foundation; and
- e) To maintain the Foundation’s status as a charitable organization exempt from taxation under Internal Revenue Code § 501(c)(3) by monitoring any private benefits that a director or officer may receive from the Foundation.

Article II -- Definitions

1. **Interested person** -- Any director, officer, or member of a committee of the Board of Directors who has a direct or indirect financial interest, as defined below, in a transaction, agreement, or arrangement involving the Foundation is an interested person.

2. **Financial interest** -- A person has a financial interest if the person has either a direct or indirect financial interest in any transaction, agreement, or arrangement that Pondera Healthcare Foundation is contemplating entering into or has entered into, including the following:

- a. A transaction, agreement, or arrangement pursuant to which Pondera Healthcare Foundation agrees to pay compensation, rent, or other remuneration for services, supplies, property, or goods:
 - i. to the director or officer,
 - ii. to a family member of a director or officer;

- iii. to any entity in which the director or officer or a family member of the director or officer owns an ownership interest; or
 - iv. to any entity which employs the director or officer or on whose governing board the director or officer sits.
- b. Receipt of a gift of cash in any amount or receipt of a gift of property (including meals) in excess of \$15 from a person with a direct or indirect financial interest in a transaction, agreement, or arrangement with Pondera Healthcare Foundation, such as the owner of a business seeking to enter into a contract for the supply of goods or services to the Foundation.

A financial interest is not necessarily a conflict of interest. Some financial interests may be so insubstantial or tenuous that they do not constitute a conflict of interest. Nonetheless, this Conflict of Interest Policy encourages full disclosure of any potential conflict of interest, after which the Foundation's Board of Directors shall follow the procedures set forth in Article III to determine whether a conflict of interest exists.

Article III -- Procedures

1. To serve the purposes set forth in Article I, an interested person must disclose to the Foundation's Board of Directors the existence of any financial interest that may potentially give rise to a conflict of interest as soon as the interested person becomes aware of the potential or actual conflict of interest. The disclosure must be made in a writing delivered by mail, by e-mail, or in person to each member of the Foundation's Board of Directors, which provides all material facts relating to the potential or actual conflict of interest. The matter shall be placed on the agenda of the next scheduled meeting of the Directors or a special meeting may be called to address the potential or actual conflict of interest in accordance with the Bylaws of the Foundation.
2. At the meeting of the Board of Directors, the following procedures shall be followed:
 - a. The interested person shall appear before the Board of Directors and answer any questions asked by the Board of Directors. After the presentation, he/she shall leave the meeting and shall not participate in the following discussion or vote.
 - b. The Board of Directors shall first determine, by a majority vote, whether a conflict of interest exists.
 - c. If the Board concludes that a conflict of interest does not exist, the interested person, if a director, shall be allowed to attend the remainder of the meeting.
 - d. If the Board concludes that a conflict of interest does exist, the Board shall discuss whether the best interests of the Foundation will be furthered by approving or disapproving the transaction. The Board shall consider all relevant factors, including without limitation the availability of other

providers, whether the compensation to be paid is in line with prevailing prices, the quality and timeliness of the services to be provided, whether the proposed terms are fair to the Foundation, and any alternatives to the proposed transaction or arrangement. The Board may make further investigation if warranted.

- e. After deliberation (and any further investigation if warranted), the Board shall approve or disapprove the transaction by a majority vote.

3. If the Foundation's Board of Directors has reasonable cause to believe an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board determines that the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV – Records of Proceedings

The minutes of the Board and all committees with board delegated powers 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, and the Board's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the agreement, transaction or arrangement, a summary of the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Annual Statements and Review

1. Each director, officer and member of a committee with Board delegated powers shall annually sign a statement which affirms 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 Pondera Healthcare Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

2. If at any time during the year, the information in the annual statement changes materially, the director or officer shall disclose such changes and revise the annual disclosure form.

3. To ensure that the Foundation operates in a manner consistent with its status as an organization exempt from federal income tax, the President or Vice-President shall annually review the administration of this conflict of interest policy, including a review of all of the Conflict of Interest Statements submitted by members of the Board of Directors. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

Adopted by the Board of Directors at its meeting on August 19, 2014.

s/Kristen G. Juras
Kristen G. Juras, Secretary

**Pondera Healthcare Foundation
Director and Officer Annual Conflict of Interest Statement**

1. Name: _____ Date: _____

2. Are you a Director? **Yes No**

Are you an Officer? **Yes No** If yes, position: _____

3. I affirm the following (initial in the space following each entry):

I have received a copy of the Pondera Healthcare Foundation Conflict of Interest Policy.

_____ I have read and understand the policy. _____

I agree to comply with the policy. _____

I understand that Pondera Healthcare Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____

4. Disclosures (circle appropriate answer):

a. Do you have a financial interest (current or potential) as defined in the Conflict of Interest policy with Pondera Healthcare Foundation? **Yes No**

i. If yes, please attach a description.

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? **Yes No**

Signature of director, officer, committee member

Date: _____

Reviewed by: _____

Date: _____