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Everhart Primary Health Care
Conflict of Interest

Article I

Purpose

The purpose of this policy is to protect Everhart Primary Health Care's (EPHC) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, member of a committee with Board of Director (BOD) delegated power, or key employee of EPHC or might result in a possible excess benefit transaction. This policy is intended to supplement, but not to replace any applicable Virginia and/or federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Interested Person Any director, officer, or member of a committee with BOD delegated powers who has a direct or indirect financial interest, as defined in Section 3 of this Article is an interested person.
2. Key Employee Any employee whose total annual compensation (including benefits) from EPHC and/or its affiliates is more than \$25,000 **and** who:
 - a. Has responsibilities or influence over EPHC similar to that of officers, directors or committee members with BOD delegated powers; **or**
 - b. Manages a program that represents 10% or more of the activities, assets, income, or expenses of EPHC; **or**
 - c. Has or shares authority to control 10% or more of EPHC's capital expenditures, operating budget, or compensation for employees.
3. Financial Interest A person has a financial interest if the person has directly or indirectly, through business, investment or family:
 - a. An ownership or investment interest in any entity with which EPHC has a transaction or arrangement,
 - b. A compensation arrangement with EPHC or with any entity or individual with which EPHC has a transaction or arrangement, **or**
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which EPHC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors greater than \$50.

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 BOD or committee decides that a conflict of interest exists.

Article III

Procedures

1. **Duty to Disclose** In connection with any actual or possible conflict of interest, an interested person or key employee must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the BOD and members of committees with BOD delegated powers considering the proposed transaction or arrangement.
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/key employee, he/she shall leave the BOD or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining BOD or committee members shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict of Interest**
 - a. An interested person/key employee may make a presentation the BOD or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The President of the BOD or chairperson of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the BOD shall determine whether EPHC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the BOD or committee shall determine by majority vote of disinterested directors whether the transaction or arrangement is in EPHC's best interest, 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 or arrangement.
4. **Violations of the Conflict of Interest Policy**
 - a. If the BOD or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member or the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the BOD or committee determines the member 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 BOD and all committees with delegated powers shall contain:

1. The names of 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, any action taken to determine whether a conflict of interest was present, and the BOD's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of persons who were present for discussions and votes relating to the transaction or arrangement, 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

Compensation

1. A voting member or affiliated person of the BOD who receives compensation, directly or indirectly, from EPHC for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from EPHC for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the BOD or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from EPHC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, officer, member of a committee with BOD delegated powers, and key employees shall annually sign a statement which affirms such person:

1. Has received a copy of this policy,
2. Has read and understands this policy,
3. Has agreed to comply with this policy, and
4. Understands EPHC 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.

Article VII

Annual/Periodic Reviews

To ensure EPHC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted at least annually and more frequently as deemed necessary by the BOD. The periodic reviews shall, at a minimum include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to EPHC's written policies, are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purpose and do not result inurement, impermissible private benefit, or in an excess benefit transaction.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, EPHC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the BOD of its responsibility for ensuring periodic reviews are conducted.

Everhart Primary Health Care
Conflict of Interest Policy:
Acknowledgement and Financial Interest Disclosure Statement

EPHC follows a conflict of interest policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, member of a committee with BOD delegated powers, key employees or other interested persons.

PART 1

Acknowledgement of Receipt

I hereby acknowledge that I have received a copy of the conflict of interest policy of Everhart Primary Health Care, have read and understand the policy, agree to comply with the terms of the policy, and understand the EPHC is charitable and that in order to maintain its federal tax-exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature

Date

Printed Name

PART 2
Disclosure of Financial Interests

EPHC is required annually to file FORM 990 with the United States Internal revenue Service, and FORM 990 annually filed is available to the public. To complete FORM 990 fully and accurately, EPHC needs each director, officer, member of committees with BOD delegated powers, and key employees to disclose information requested in this Part 2.

A “conflict of interest” for the purposes of FORM 990, arises when a person in a position of authority over an organization, such as a director, officer, member of a committee with BOD delegated powers, or key employee, may benefit financially from a decision he/she could make in such a capacity, including indirect benefits such as to family members or businesses with which the person is closely associated (“affiliated persons”).

“Affiliated Persons” include:

1. Spouse/domestic partner, living ancestors, brothers, sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses/domestic partners of siblings, children, grandchildren, and great grandchildren.
2. Any corporation or organization of which you are a board member, an officer, a partner, participate in management, or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
3. Any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

Please initial ONE of the following statements:

_____ I do not have any interests or relationships that could give rise to a conflict of interest. [Proceed to the end of this Part 2. Disclosure of Financial Interests]

OR

_____ My interests and relationships have not changed since my last disclosure of interests. [Proceed to the end of this Part 2. Disclosure of Financial Interests]

OR

_____ I hereby disclose or update my interests and relationships that could give rise to a conflict of interest. [Complete the questionnaire below. Use additional pages as needed]

Disclosure Questionnaire

1. Have you or any of your affiliated persons provided services or property to EPHC in the past year?

YES NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

2. Have you or any of your affiliated persons purchased services or property from EPHC in the past year?

YES NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

3. Please indicate whether you or any of your affiliated persons had direct or indirect interest in any business transaction(s) or arrangement(s) in the past year to which EPHC was or is a party.

YES NO

If yes, please describe the transaction(s) or arrangement(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

4. Were you or any of your affiliated persons indebted to pay money to EPHC at any time in the past year (other than travel advances or the like)?

YES NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I hereby confirm that my responses to the above questions are complete and correct to the best of my information and belief. I am not aware of any financial interest involving me or any of my affiliated persons that could represent a conflict of interest that I have not disclosed either above or in a previous disclosure statement. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the EPHC BOD President immediately.

Signature

Date

Printed Name

CAPACITY: _____ Board of Directors
 _____ Committee Member
 _____ Officer
 _____ Employee (position): _____

Date reviewed by BOD

Everhart Primary Health Care
Gift Policy and Disclosure Form

As part of its conflict of interest policy, EPHC requires directors, officers, members of committees with BOD delegated powers, and key employees decline to accept certain gifts, considerations or remuneration from individuals or companies that seek to do business with EPHC or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

1. Interested Person Any person who is serving as an officer, director, member of a committee with BOD delegated powers or is a key employee of EPHC is an interested person.
2. Family Member Any Spouse/domestic partner, living ancestors, siblings (brothers or sisters whether whole or half-blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses/domestic partners of siblings, children, grandchildren and great grandchildren on an interested person is considered to be a family member.
3. Contract, transaction, or arrangement Any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any pecuniary relationship is considered to be a contract, transaction or arrangement. The making of a gift to EPHC is not a contract, transaction or arrangement.
4. Prohibited gifts, gratuities and entertainment Except as approved by the BOD or for gifts of a value less than \$50 which could not be refused without discourtesy, no Interested Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:
 - a. Does or seeks to do business with EPHC or,
 - b. Does or seeks to compete with EPHC or,
 - c. Has received, is receiving, or is seeking to receive a contract, transaction or arrangement with EPHC.

GIFT STATEMENT

I certify that I have read the above policy concerning gifts and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of the fiscal year (June 30) certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

Signature

Date

Printed Name