

Conflict of Interest Policy for the ABAI Accreditation Board, Accreditation Site Visitors, and Staff

This policy is designed to disclose conflicts of interest involving persons who may enter into contracts or receive other types of financial benefits from ABAI Accreditation Board. It also applies to benefits to family members and business entities that they control. The IRS recommends that data be obtained to establish that the transactions are fair. It also recommends that any person (including family members) who will benefit from the transaction not be present during the discussion or vote.

Purpose

The ability of the ABAI Accreditation Board to carry out its mission is enhanced by the involvement of its Board members, site visitors and staff. Their collective knowledge and business contacts are invaluable in guiding ABAI Accreditation Board in its programs and in making it more efficient as a Board.

ABAI Accreditation Board provides this Conflict of Interest Policy to ensure that there is full disclosure by ABAI Accreditation Board's members, site visitors and staff in connection with accreditation activities that may provide an economic benefit to a Board member, site visitor, staff, or any person or entity with whom they are related or have a financial interest. This will ensure that accreditation decisions are free of favoritism and based entirely on merit.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest relating to nonprofit and charitable organizations.

Definitions

Interested Person. An Interested Person is an individual, who, within five (5) years preceding any accreditation activity or transaction in which such person has a Financial Interest or a Duality of Interest (defined below), is or has been: a director, principal officer, or committee member of an organization or who was in a position to exercise substantial influence over it, or the decisions of its Board or any committee. A person is in a position to exercise substantial influence if such person is a member of the ABAI Accreditation Board or is in a position to present to the ABAI Accreditation Board information relative to an accreditation review or development of accreditation standards, rules or policies.

Financial Interest. An Interested Person has a Financial Interest if an individual or family member has any ownership interest in an institution which houses a program that is the subject of an accreditation review.

Duality of Interest. A Duality of Interest exists when a ABAI Accreditation Board Member, site visitor or staff member, because of a present organizational, institutional, or program association, the individual has divided loyalties or conflicts (or the appearance of same) pertaining to the program.

A Duality of Interest can establish a conflict of interest between individuals, groups and organizations, even though the accreditation activity does not involve a direct Financial Interest.

Procedures for Conflicts of Interest

Duty to Disclose. Each Interested Person shall complete and submit the Conflict of Interest Disclosure Form attached hereto, prior to each ABAI Accreditation Board meeting and otherwise taking part in the review of any accreditation matter. Even if an Interested Person has completed a Conflict of Interest Disclosure Statement, if the ABAI Accreditation Board proposes to consider for (re) accreditation any program in which an Interested Person has a Financial Interest or a Duality of Interest, before the ABAI Accreditation Board considers the program, the Interested Person, shall disclose to the ABAI Accreditation Board the existence of such Financial Interest and/or Duality of Interest together with a statement of the facts that describe and explain this.

Procedures for Addressing the Conflict of Interest. Procedures to Address a Conflict of Interest are as follows:

- a. If a Financial or Duality of Interest exists, the Interested Person will not be allowed to participate in discussions or voting on the matter and must abstain from voting on the matter involving the financial or duality of interest.

Any vote on an accreditation matter in which an Interested Person has a Financial Interest or a Duality of Interest in order to be approved must receive the number of votes required by ABAI Accreditation Board's policies and procedures. The policies and procedures require that the vote must be approved by a majority of the Board members present at the meeting, this number of votes must be obtained. In determining how many Board members are present at the meeting, the Interested Person shall be counted as being present if he/she is present for the meeting (even though he/she is to abstain from voting and not be present during discussion or voting) and is a member of the Board. For example, if the ABAI Accreditation Board has 9 members present at the meeting (including one who is to abstain), then the vote on the matter must be approved by the affirmative vote of five (5) disinterested members (a majority of 9).

- b. The Board which is to review and approve the transaction involving a Financial Interest or Duality of Interest shall prepare minutes to evidence the deliberations regarding the transaction and its decision. The minutes of the ABAI Accreditation Board shall contain:
 - (i) The names of the persons who disclosed or otherwise were found to have a Financial or Duality of Interest in connection with matter, the nature of the Financial or Duality of Interest, any action taken to determine whether a conflict of interest existed.
 - (ii) The names of the persons who were present for discussions and votes relating to the matter under review the content of the discussion, and a record of any votes taken in connection therewith.
 - (iii) The results of the vote; and
 - (iv) The names of those persons who abstained from voting and whether they were present for the discussion regarding the matter to be voted upon.
- c. Interested Persons shall not lobby any Board Member or employee of the ABAI Accreditation Board on behalf of another organization.

Violations of the Conflicts of Interest Policy. Violations of the Conflict of Interest Policy are to be addressed as follows:

- a. If the ABAI Accreditation Board has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Board determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Disclosure. Each *ABAI Accreditation Board* member, site visitor and staff member shall, when entering in office, sign a statement which affirms that such person:

- a. Has received a copy of this conflict of interest policy;
- b. Has read and understands the policy;
- c. Agrees to comply with the policy; and
- d. Understands that ABAI is an organization exempt from taxation, and that in order to maintain its federal tax exemption, it must engage in activities which accomplish one or more of its tax-exempt purposes.

The affiliation of each Board member that might be a potential for conflict of interest should be listed in the agenda items of each Board meeting. As well, annual reports from Boards and committees must include disclosure of duality of roles with groups within and outside of ABAI and the ABAI Accreditation Board.

**ABAI Accreditation Board
Conflict of Interest Disclosure Form**

AGREEMENT TO COMPLY WITH THE ABAI ACCREDITATION BOARD CONFLICT OF INTEREST POLICY AND DISCLOSURE OF DUALITIES AND CONFLICTS OF INTEREST

Following is a disclosure, in writing, detailing any conflict or duality of interest including any relationships, positions or circumstances which may potentially create a conflict or duality of interest.

Conflicts of Interest: _____

Dualities of Interest: _____

I affirm that I have read in its entirety and agree to comply with the *ABAI Accreditation Board Conflict of Interest Policy* and have disclosed in full all potential conflicts and dualities of interest.

Name: _____

Signature: _____ Date: _____