

RESOLVE, Inc.
The National Infertility Association

Revised Conflict of Interest Policy
(Approved January 22, 2007 by the RESOLVE Board of Directors)

Adapted from IRS Sample Conflicts of Interest Policy for Tax-Exempt Health Care Organizations and Minnesota Attorney General's Office Sample Conflicts of Interest Policy for Nonprofits

Purpose

The purpose of the conflict of interest policy is to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Board director, committee member or senior staff member.

Definition of Interested Person

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

Definition of Financial Interest

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

- A real or potential ownership or investment interest (including stock ownership) in any entity with which the organization has or is negotiating a transaction or arrangement
- A real or potential compensation arrangement (including direct and indirect remuneration as well as gifts or favors that are substantial in nature) with the organization or with any entity or individual with which the organization has or is negotiating a transaction or arrangement
- A position as an officer or board member, employee or former employee of any entity with which the organization has or is negotiating a transaction or arrangement

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

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 appropriate board or committee decides that a conflict of interest exists.

These areas of potentially conflicting financial interest are not exhaustive. Conflicts might arise in other areas. It is assumed that the persons covered by this policy will recognize such areas by analogy.

Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board- delegated powers considering the proposed transaction or arrangement.

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 appropriate board or committee decides that a conflict of interest exists.

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, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Procedures for Addressing Conflicts of Interest

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- The conflicting interest is fully disclosed
- The person with the conflict of interest is excluded from the discussion and approval of such transaction
- A competitive bid or comparable valuation exists
- The board (or a duly constituted committee thereof) has determined that the transaction is fair and reasonable and in the best interest of the organization

Violations

If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the member and making such further investigation as may be warranted, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Record of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain:

- 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, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- The names of the persons who were present for discussion 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 therewith.

Annual Statements

Each person covered by this policy shall annually sign a statement which affirms that such person:

- Has received a copy of the conflict of interest policy
- Has read and understands the policy
- Has agreed to comply with the policy
- Understands that the organization is a charitable organization 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.

Periodic Reviews

To ensure that the organization operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining
- Whether any purchases of goods and services result in inurement or impermissible private benefit
- Whether affiliation, partnership and joint venture arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the organization's charitable purposes and do not result in inurement or impermissible private benefit.