

LAMA Foundation Conflict of Interest Policy

Article I

Purpose

The purpose of this conflict of interest policy is to protect this tax-exempt organization's (LAMA Foundation) interest when it is contemplating entering in to a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest application to non-profit and charitable organizations.

Article II

Definitions

1. Interested Person

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

2. Financial Interest

A person has 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 the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual which the Organization is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, section 2, a person who has a financial may have a conflict of interest only if the appropriate governing board 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 must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board 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, he/she shall leave the governing board or committee meeting while the determination of conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or 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 governing board or committee shall determine whether the Organization can obtain with reasonable effort 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization'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 governing board or committee has reasonable cause to believe 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.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board 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 governing 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, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for the 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 with the proceedings.

Article V

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such persons:

- 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 the Organization is charitable and in order to maintain its federal tax exemption it must engage in primarily activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure the Organization 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. 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 the Organization's written policies, are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in excess benefit transaction.

Article VIII

Use of Outside Experts

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

LAMA Foundation

Directors and Committee Members
Conflict of Interest Disclosure Form

Directors and members of the LAMA Foundation Committees are required to disclose financial interests that might benefit their private interest or result in a possible excess benefit transaction. The term "financial interest" is further defined on the accompanying disclosure form. In general, it applies to any director, principal officer or member who has a direct or indirect financial interest at stake in the outcome of Board decisions for the Organization (s). A financial interest is not necessarily a conflict of interest.

Director/Committee Member Name: _____

Committee Name: _____

A. Please place a check mark next to one of the following statements:

_____ I do not have any financial interests, as defined above, that may affect my review of board/committee actions.

_____ I have a financial interest, as defined above, that may affect my review of board/committee actions.

B. If you have indicated a financial interest, please provide the following information about each entity with which you have a financial interest or relationship. Examples of entities are other institutions (hospitals, universities, pharmaceutical companies, and businesses) include grants and contracts, salary and fees, etc.

1.) Name of Entity: _____

Address of Entity: _____

2.) Name of Entity: _____

Address of Entity: _____

*If more space is needed for listing multiple entities, add these on a separate piece of paper labeled "Section B continued" and attach to this form.

C. Are you a director, officer, partner, trustee, consultant, or employee of, or do you hold any position of management in, any entity listed in B?

_____ No _____ Yes – please describe:

D. Do you, your spouse or dependents have:

1. An investment of \$10,000 or more or a 5% equity interest in any entity listed in B.

_____ No _____ Yes – please describe:

2. Income (including any payment, such as salary consulting fees) received from any entity listed in B within the last 12 months?

_____ No _____ Yes – please describe:

I have received a copy of the LAMA Foundation Conflict of Interest Policy

I have read and understand the LAMA Foundation Conflict of Interest Policy.

I have made all disclosures, and I will comply with this Policy.

I understand the LAMA Foundation is a charitable organization and in order to maintain its federal tax exemption it must engage in primarily activities which accomplish one or more of its tax-exempt purposes

I will comply with any conditions or restrictions imposed by the LAMA Foundation to manage, reduce or eliminate conflicts of interest.

I understand and agree that I must promptly file an update to this Disclosure Form if any information reported here should change.

Member's Signature _____ Date _____