

New York State Council of Health-system Pharmacists, Inc.

STATEMENT OF POLICY ON CONFLICTS OF INTEREST

The purpose of this policy is to protect the interests of the Council when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the Council. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations.

1. Interested Persons

Any director or officer who has a direct or indirect financial interest, as defined below, is an interested person.

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

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

3. Duty to Disclose

In connection with any actual or potential conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors considering the proposed transaction or arrangement.

After disclosure of the financial interest, the interested person shall leave the board meeting while the financial interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

If a conflict exists, the board shall review the proposed or existing transaction or arrangement to determine whether it is fair and reasonable to the Council, and whether it is still in the Council's best interests to continue the transaction or arrangement. In all such cases, the Council's legal counsel shall also be apprised of and review the facts and circumstances of the case before any final action is taken.

4. Violations of the Policy

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

If, after hearing the response of the director and making such further investigation as may be warranted in the circumstances, the board determines that the director has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action as recommended by the Council's legal counsel.

5. Periodic Reviews

To ensure that the Council operates in a manner consistent with its nonprofit purposes and that it does not engage in any activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews of all transactions and arrangements shall be conducted, along with an annual review of any actual or potential conflicts of interest of the directors.