



Policy Number: A.116	Policy Section: Administrative
Correlating Procedure: N/A	
Effective Date: 01/2015	Approved By: Board of Directors
Review Date(s): 10/2017, 11/2019, 10/2021	
Policy Name: Conflict of Interest Policy	
Purpose: To safeguard the integrity and reputation of NOAH by fostering proper and unbiased conduct of the organization's activities.	

The NOAH Board of Directors shall abide by the Conflict of Interest Policy to protect the organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, or might result in a possible excess benefit transaction. On an annual basis, Board members will review the Conflict of Interest Policy, in conjunction with completing and signing the Conflict of Interest Disclosure Statement. Please refer to Appendix II for Disclosure Statement.

NOAH employees will abide by the NOAH's Conflict of Interest Policy.

Policy:

ARTICLE I PURPOSE

The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of Neighborhood Outreach Access to Health (the "NOAH") when it is contemplating entering into a transaction that might benefit the private interest of a member of the Board of Directors of NOAH, a Principal Officer, a member of a committee with Board delegated powers ("Board Committee"), key employee, highest compensated employee or another person that may be a "Disqualified Person," within the meaning of Section 4958(t)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). This Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations, and it shall be interpreted in a manner consistent with the limitations and restrictions imposed under applicable tax laws.

ARTICLE II DEFINITIONS

Section 1. Interested Person. an Interested Person with respect to NOAH includes any Director, Principal Officer, member of a Board Committee, key employee, highest compensated employee or other Disqualified Person who has a direct or indirect Financial Interest (as defined below). If a person is an Interested Person with respect to any entity in the health care system of which the NOAH is a part, he or she is an Interested Person with respect to all entities in the health care system.

Section 2. Financial Interest. A person has a Financial Interest if the person has, directly or indirectly, through business, investment or a Related Person:

(a) an ownership or investment interest in any entity with which the NOAH has a transaction, or

(b) a compensation¹ arrangement with NOAH or with any entity or individual with which NOAH has a transaction, or

(c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the NOAH is negotiating a transaction. A Financial Interest is not necessarily a conflict of interest. Under Article HI, Section 2, a person who has a Financial Interest may have a conflict of interest only if the appropriate Board or Board Committee decides that a conflict of interest exists.

Section 3. Related Persons. A Related Person means a spouse, ancestors, brothers and sisters (whole or half-blood), children (natural or adopted), grandchildren, great grandchildren, and spouses of brothers, sisters, children, grandchildren, and great grandchildren.

Section 4. Authorized Body. The Authorized Body means the disinterested members of the Board of Directors or any Board Committee considering the proposed transaction.

ARTICLE III PROCEDURES

Section I. 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 Board Committees considering the proposed transaction. If the Interested Person has a duty of confidentiality with respect to information relating to the transaction preventing him or her from disclosing all material facts known to him or her regarding the transaction, he or she shall disclose the existence and nature of the transaction and the limitations imposed by that duty before any vote.

Section 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, the Interested Person shall leave the Board or Board Committee meeting while the determination of whether a conflict of interest exists is discussed and voted upon by the disinterested Board or Board Committee members.

Section 3. Procedures for Addressing the Conflict of Interest.

(a) The Interested Person may make a presentation at the Board or Board Committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction that results in the conflict of interest.

¹ Compensation includes direct and indirect remuneration as well as gifts, excessive or unusual entertainment, or other favors with financial value from any outside concern which does, or is seeking to do business with the NOAH and might be viewed as intended to influence the Interested Person. This does not preclude the acceptance of gifts, favors or items of nominal or insignificant value or which are not related to any particular transaction or activity of the NOAH.

- (b) The Board shall, if appropriate, appoint a Disinterested Person or Board Committee to investigate alternatives to the proposed transaction.
- (c) After exercising due diligence, the disinterested Directors or Board Committee members shall determine whether NOAH can obtain a more advantageous transaction with reasonable efforts from a person or entity that would not result in a conflict of interest.
- (d) If a more advantageous transaction is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Disinterested Directors or Board Committee members shall determine by a majority vote, whether the transaction is in NOAH's best interest and for its own benefit and whether the transaction is fair and reasonable to NOAH and shall make its decision as to whether to enter into the transaction in conformity with such determination. The disinterested Directors or Board Committee members shall make such determination pursuant to the terms of the Rebuttable Presumption Checklists for transactions involving compensation and property, which are attached hereto as Exhibits A and 8, respectively.

Section 4. Violations of the Conflicts of Interest Policy.

- (a) If the disinterested Directors or Board Committee members have reasonable cause to believe that an individual subject to this Policy has failed to disclose possible conflicts of interest, they shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of a party subject to disclosure under this Policy and making such further investigation warranted under the circumstances, the disinterested Directors or Board Committee members determine that the individual has, in fact, 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 Board of Directors meetings and all Board Committee meetings 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 decision of the Disinterested Directors or members of the committee as to whether a conflict of interest in fact existed.
- (b) the names of the persons who were present for discussions and votes relating to the transaction, the content of the discussion, including any alternatives to the proposed transaction, and a record of any votes taken in connection with the proceedings.

ARTICLE V COMPENSATION

Section 1. Compensated Board or Committee Members. A voting member of the Board of Directors or of any Board Committee whose jurisdiction includes compensation matters who receives compensation, directly or indirectly, from NOAH is precluded from voting on matters pertaining to that Director's or member's compensation.

Section 2. Compensated Physicians. Physicians who receive compensation, directly or indirectly, from NOAH, whether as employees or independent contractors, are precluded from membership on any Board Committee whose jurisdiction includes compensation matters.

Section 3. Compensation Information. No individual who receives compensation, directly or indirectly, from NOAH, is prohibited from providing information to the Board or to any Board Committee regarding compensation.

Section 4. Setting Compensation for Interested Persons. When setting compensation for any Interested Person, the disinterested members of the Board or Board Committee shall set such compensation in accordance with the Rebuttable Presumption Checklist for transactions involving compensation which is attached hereto as Exhibit A.

ARTICLE VI ANNUAL STATEMENTS

Each Director, Principal Officer, member of a Board Committee, key employee, highest compensated employee or other person identified as a "Disqualified Person" with respect to NOAH shall annually sign a statement which affirms that:

- a) such person has received a copy of the Conflicts of Interest
- b) has read and understands the policy,
- c) has agreed to comply with the policy, and
- d) understands that the NOAH 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.

ARTICLE VII PERIODIC REVIEWS

Section 1. Periodic Reviews. To ensure that NOAH operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, inquire whether:

- (a) compensation and benefits of interested persons are reasonable based on comparable and are the result of arm's length bargaining; and
- (b) acquisitions of physician practices and other provider services are reasonable and do not result in inurement or impermissible private benefit;
- (c) partnership and joint venture arrangements and arrangements with management service organizations and physician organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit; and
- d) agreements to provide health care and agreements with other health care providers, employees, and third party payors further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

Section 2. Use of Outside Experts. In conducting the periodic reviews and in making any determinations of whether compensation and any property transfer arrangements are reasonable, NOAH may, but need not, use outside advisors and may rely on the advice of legal counsel. If outside experts are used, their use shall not relieve the Directors of their responsibility for ensuring that periodic reviews are conducted.

EXHIBIT A

Rebuttable Presumption Checklist - Compensation

1. Name of Person:
2. Position Under Consideration:
3. Duration of Contract, if any (1 year, 3 year, etc.):
1. Proposed Compensation:
 - Salary:
 - Bonus:
 - Deferred Compensation:
 - Fringe Benefits: Auto Allowance:
 - Liability Insurance Premiums:
 - Foregone Interest on Loans: Other:
5. Description of Types of Comparability Data Relied Upon:
 - a)
 - b)
 - c)

(e.g., association survey, compensation consultant report, Guidestar report, competing offers, direct comparisons based on Form 990/990-PF data, etc.)
6. Sources and Amounts of Comparability Data for Each Peer Organization:
 - Salaries:
 - Bonuses:
 - Deferred Compensation:
 - Fringe Benefits:
 - Liability Insurance Premiums:
 - Forego Interest on Loans:
 - Others:
7. Office or File Where Comparability Data Kept:
8. Total Proposed Compensation:
9. Maximum Total Compensation Per Comparability Data:

\$ _____

10. Compensation Package Approved by Authorized Body:

- Salary:
- Bonus:
- Deferred Compensation:
- Fringe Benefits:
- Auto Allowance:
- Liability Insurance Premiums:
- Foregone Interest on Loans:
- Other:

11. Date Compensation Approved by Authorized Body:

12. Members of the Authorized Body Present (indicate with "X" if voted in favor):

13. Comparability Data Relied Upon by Approving Body and how Data was Obtained:

14. Names of and Actions (if any) by Members of Authorized Body Having Conflict of Interest:

15. Date of Preparation of the records including the checklist (must be prepared by the later of next meeting of authorized body, or 60 days after authorized body approved compensation):

(See Appendix C)



Appendix C: Conflicts of Interest Disclosure Statement

As part of its *Conflicts of Interest Policy* (“Policy”), **Neighborhood Outreach Access to Health (NOAH)**, requires that members of the Board of Directors (“Board”), officers of the corporation, and members of any Board committee, annually complete this conflicts of interest disclosure statement and disclose any financial interest that is an actual or possible conflict of interest. If you have any doubt as to how to answer the following questions, please call Ellis Carter, Corporate Counsel, at (602) 235-0685.

1. Name: _____
2. Position: _____ Member of Board of Directors
 _____ Member of Board Committee
 _____ Officer of the Corporation
3. Have you, any of your family members (defined as the immediate family including spouse, children, parents, siblings, and in-laws), any entity in which you or a family member has an interest engaged in any of the following transactions with

Neighborhood Outreach Access to Health in the past year:

- (a) Provided services or property to **Neighborhood Outreach Access to Health** in exchange for consideration.

_____ YES _____ NO

- (b) Had any direct or indirect interest in any transaction to which **Neighborhood Outreach Access to Health** was or is a party.

_____ YES _____ NO

- (c) Received, or become entitled to receive, directly or indirectly, any personal benefits from the Corporation or as a result of your relationship with **Neighborhood Outreach Access to Health**, that in the aggregate could be valued in excess of \$300.00, that were not or will not be compensation directly related to your duties to **Neighborhood Outreach Access to Health**.

_____ YES _____ NO

- (d) Had a compensation arrangement with another licensed health care facility or with any entity or individual with which **Neighborhood Outreach Access to Health** is negotiating a transaction or arrangement? [Compensation with another licensed health care facility includes direct remuneration that annually exceeds \$10,000.]

_____ YES _____ NO

If yes, please describe the proceeding(s) and if a family member or entity is involved, the identity of the family member or entity of your relationship with that person or entity:

4. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by the Board of Committee in accordance with the terms and intent of **Neighborhood Outreach Access to Health** conflicts of interest policy?

_____ YES _____ NO

If yes, please describe the situation(s) and if a family member or entity is involved, the identity of the family member or related entity and your relationship with that person or entity:

I HEREBY CONFIRM that I have read and understand the *Conflicts of Interest Policy* of **Neighborhood Outreach Access to Health**, and that my responses to the above questions are complete and accurate to the best of my information and belief. I understand that **Neighborhood Outreach Access to Health** is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. 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 Corporate Counsel and the Chair of the Board or the Executive Director immediately.

Board Member Signature

Date