

Policy Number: 2.4.1

Category: Board of Directors

Subject: Conflict of Interest

Purpose:

Outlines conflict of interest policy.

Scope:

Pertains to Board of Directors, Committees and Executive Staff.

Purpose of Policy and Duties of Directors and Officers

The Directors and Officers of the Association for Professionals in Infection Control and Epidemiology (APIC) owe a duty of loyalty to APIC, which requires that in serving APIC they act, not in their personal interests or in the interests of others, but rather solely in the interests of APIC. Directors and Officers must have an undivided allegiance to APIC's mission and may not use their position as Directors or Officers, information they have about APIC or APIC's property, in a manner that allows them to secure a pecuniary or other material benefit for themselves or their relatives. Accordingly, no Director or Officer may use his or her position for personal gain or benefit at the expense of APIC, its mission, or its reputation.

A conflict of interest may arise when a person has an existing or potential financial interest or other material interest that impairs, or might appear to impair, his or her independence or objectivity in the discharge of responsibilities and duties to the Association. ***Conflicts may also arise when there is no financial interest for example the pursuit of professional advancement or recognition and/or the desire to do favors for friends, family, students or colleagues.***

This policy is intended to protect APIC's interests when it is contemplating entering into a contract, transaction, or arrangement that might benefit the private interests of a member of APIC's Board of Directors or an Officer of the organization. This policy is also meant to aid Directors and Officers of APIC in performing the duties imposed upon them by the laws of the State of Massachusetts and the United States of America with respect to their responsibilities and fiduciary obligations to APIC. APIC is committed to transparency and openness in its operations.

Every Director and Officer must discharge his or her duties in good faith, with the degree of care that an ordinarily prudent person in a like position would exercise under similar circumstances. This requires using common sense, being diligent and attentive to APIC's needs, and making thoughtful decisions in the best interest of the Association. No Director or Officer may take personal advantage of a business opportunity that is offered to the Association unless APIC first determines not to pursue such opportunity.

Each Director or Officer must protect the confidential information of the Association and must not use confidential information or his or her position as a Director or Officer to the detriment of the Association. Confidential information is information obtained through the Director's or Officer's position that has not been released to the public.

Other Organizations

An Officer or Director may not be a designated representative of another organization whose primary or secondary activity is related to the activities of APIC. APIC Directors and Officers may not serve as a director or officer for another organization whose primary or secondary activity is related to the activities of APIC. An Officer or Director or Committee Member may not serve on an APIC subsidiary Board of Directors including but not limited to the Certification Board of Infection Control and Epidemiology and APIC Consulting Services, Inc. An Officer or Director may not serve as a consultant for APIC Consulting Services.

Direct or Indirect Financial or Other Material Interest

1. Contracts, transactions or arrangements of APIC in which a Director or Officer has a direct or indirect financial or other material interest shall not be prohibited, but they shall be subject to scrutiny. Any such proposed contract, transaction or arrangement (collectively "arrangement") is to be reviewed to determine that it is in the best interests of the Association.
2. For the purposes of this policy, a Director or Officer has a direct or indirect financial or other material interest in a proposed or existing arrangement if he or she, or one of his or her relatives:
 - (a) has a substantial financial interest directly in the proposed or existing arrangement; or
 - (b) has a substantial financial interest in any other organization that i) is a party to the proposed or existing arrangement; or ii) is in any way involved in the proposed or existing arrangement, including through the provision of services in connection therewith (an "involved organization"); or
 - (c) holds a position as trustee, director, officer, member, partner, or employee in any such party or involved organization.

A Director's or Officer's financial interest will be considered substantial if it involves:

- (a) an ownership or investment interest representing more than 1% of the outstanding shares of a publicly traded company or 5% of the outstanding shares or comparable interest of a privately owned company with which APIC has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- (b) an ownership or investment interest, which produces a significant amount of income for or constitutes a significant part of the net worth of the Director or Officer, or a relative of the Director or Officer, in any entity with which the Association has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- (c) A relationship which produces a material amount of income (> 10% of gross annual income) for the Director or Officer, or a relative of the Director or Officer, with any entity with whom APIC has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- (d) a compensation arrangement of any kind with any entity or individual with which the Association has or is negotiating an arrangement or with any involved organization with respect to the arrangement.

Disclosure of Interest and Participation in Meeting

3. Each Director and each Officer of APIC shall promptly disclose any direct or indirect financial or other material interest that he or she has or reasonably expects to have in

any proposed or existing arrangement with APIC prior to the start of any negotiations with respect to such matter. A direct or indirect financial interest required to be disclosed under this policy shall be disclosed in writing by completing and/or updating the Conflict of Interest Disclosure Statement provided by APIC. Each Director and Officer is required to complete and/or update his/her Conflict of Interest Disclosure Statement at the beginning of each Association year. Disclosures with regard to a specific arrangement of interest to the Association, shall include all material facts and supply any reasons why the arrangement might be or not be in the best interest of APIC. Disclosures shall be submitted to the Chief Executive officer who shall provide a copy of each completed statement to the Executive Committee for review, and if warranted, further action.

4. The Director or Officer who discloses a direct or indirect financial or other material interest in a proposed or existing arrangement in the context of a Board discussion or decision may make a presentation and respond to questions by the Board of Directors, but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the arrangement. As part of any such presentation, the Director or Officer shall provide to the Board any reasons why the arrangement might be or not be in the best interest of APIC. The Board shall determine whether APIC can obtain a more advantageous arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. The Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed arrangement. If a more advantageous contract, transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the Board shall determine by majority vote of the disinterested members of the Board whether the arrangement is in APIC's best interest and whether to enter into the arrangement in conformity with such determination.

Minutes of Meetings

5. Any potential or existing conflicts of interest shall be disclosed at the beginning of each Board meeting. The names of the Directors and Officers who disclosed or otherwise were found to have a direct or indirect financial or other material interest in a proposed or existing arrangement, the nature of the interest, and the extent of the Director's or Officer's participation in the relevant Board or Committee meeting on matters related to the financial or other material interest shall be recorded in the minutes for that meeting. The minutes also shall include a record of any determination as to whether the arrangement was in the best interest of and fair and reasonable to APIC, notwithstanding the interest, and the specific reasons supporting the determination, including any alternatives to the proposed or existing arrangement, the names of the persons who were present for discussions and votes relating to the proposed or existing arrangement, and a record of any votes taken in connection therewith.

Co-Investment Interest

6. Each Director and each Officer of APIC shall also disclose whether he or she, or one of his or her relatives, has personal funds invested with an investment manager providing, or expected to provide, investment management services to the Association or in a professionally managed investment fund in which the Association is invested or is considering investing (a "co-investment interest"). For the purposes of this policy a "professionally managed investment fund" shall not include mutual funds or other similar investment vehicles generally available to the investing public on essentially the same terms. Such co-investment interest shall be disclosed in writing to the Chief Executive officer for referral to the Executive Committee. Such disclosure shall include all material facts, including, but not limited to, fee arrangements and any preferential treatment received by the Director or Officer, or one of his or her relatives, and not available to

other investors necessary to determine whether such co-investment interest may provide a benefit to the Director or Officer, or one of his or her relatives. If the Executive Committee determines that the co-investment interest may provide some advantage to the Director or Officer, or one of his or her relatives, the Executive Committee shall refer the issue to APIC's Audit Committee. The Director or Officer who discloses a co-investment interest may make a presentation and respond to questions from the Audit Committee, but shall not be present during the discussion of, and vote on, how to address the co-investment interest. The Audit Committee shall determine what, if any, corrective action is required with respect to the co-investment interest, including, but not limited to, terminating the investment relationship or seeking an adjustment in fee structure.

Failure to Disclose

7. If the Board has reasonable cause to believe that a Director or Officer has failed to disclose a direct or indirect financial or other material interest or co-investment interest subject to this policy, it shall inform the Director or Officer of the basis for such belief and afford the Director or Officer an opportunity to explain the alleged failure to disclose. If, after hearing the response of such individual and making such further investigation as may be warranted in the circumstances, the Executive Committee determines that the Director or Officer has in fact failed to disclose a direct or indirect financial or other material interest or co-investment interest subject to this policy, it shall take appropriate disciplinary and corrective action.

Annual Disclosure Statement

8. Each Director and Officer has a duty to place the interest of APIC foremost in any dealing with APIC and has a continuing responsibility to comply with the requirements of this policy. Promptly following the adoption of this policy, and thereafter not later than the first day of February of each year, each Director and officer shall acknowledge his or her familiarity with this policy and shall disclose in writing any existing financial or other material interests or co-investment interest subject to this policy by completing a Conflict of Interest Disclosure Statement. The Conflict of Interest Disclosure Statements shall be submitted to the Chief Executive officer who shall provide a copy of each completed statement to the Executive Committee for review and, if warranted, further action. The Conflict of Interest Disclosure Statements shall be retained in confidential files in the Association's executive office.

Employees Covered by Policy

9. This policy shall apply to the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer.

Committees, Task Forces and Program Team Members

10. All Committee, Task Force and Program Team Members shall be required to submit annual Conflict of Interest Disclosure Statements.

Policy Supplements Applicable Laws

11. This policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interest applicable to nonprofit charitable corporations.

Association for Professionals in Infection Control & Epidemiology

Conflict-of-Interest Disclosure Statement

The Conflict-of-Interest Policy of the Association for Professionals in Infection Control and Epidemiology requires any Director, Officer, or Committee Member of APIC to disclose any direct or indirect financial or other material conflict-of-interest (whether financial or otherwise) or co-investment interest that he or she has or reasonably expects to have in any proposed or existing contract, transaction, or arrangement with APIC or in any other matter under consideration or to be considered by the board of directors, the executive committee, or any other committee made up in whole, or in part, by elected directors or officers of APIC.

Please provide the name and address of your current employer: _____
_____.

Please initial each statement that applies to you and provide additional information as necessary:

_____ I have read and am familiar with the APIC Conflict-of-Interest Policy.

_____ I do not serve on other professional boards or hold an office in another professional organization.

_____ I have described in the attached letter relationships, including official titles and positions with other healthcare related organizations, including non-profit organizations.

_____ I am not aware of any direct or indirect financial or other material interest or co-investment interest that is required to be disclosed under the Conflict-of-Interest Policy.

_____ I have described every direct or indirect financial or other material interest (financial or otherwise) or co-investment interest that is required to be disclosed under the Conflict-of-Interest Policy. (Please attach a letter providing complete details of any direct or indirect financial or other material interest or co-investment interest subject to the Conflict of Interest Policy.)

Return the Disclosure Statement and any required additional information to APIC Headquarters as follows:

By mail:

Association for Professionals in Infection Control and Epidemiology
1400 Crystal Drive, Suite 900
Arlington, Virginia 22202
Attn: Chief Executive Officer

Via Fax:

202-789-1899

Attn: Chief Executive Officer

I understand that my completed disclosure statement and any additional information thereto may be provided to and reviewed by others at APIC in accordance with APIC's internal policies.

During the time I am a director, officer or committee member of APIC, I agree to report promptly, to the APIC Chief Executive Officer, any future situation that might involve or appear to involve me or any of my relatives in any potential conflict of interest with APIC.

I am completing this disclosure statement based on the definitions below that are taken from the Conflict-of-Interest Policy.

Signature: _____ Date: _____

Name: _____
Please print

Committee: _____

For the purposes of this policy (APIC: 2.4.1 Conflict of Interest), a director, officer or committee member has a direct or indirect financial or other material (financial or otherwise) interest in a proposed or existing contract, transaction, decision or arrangement (collectively, "arrangement") and must report such interest if he or she, or one of his or her relatives:

- Has a substantial financial interest directly in the proposed or existing arrangement; or
- Has a substantial financial interest in any organization that i) is a party to the proposed or existing arrangement; or ii) is in any way involved in the proposed or existing Arrangement, including through the provision of services in connection therewith (an "involved organization"); or
- Holds a position as trustee, director, officer, member, partner, shareholder, or employee in any such party or involved organization.

A director's, officer's or committee member's financial interest will be considered substantial if it involves:

- An ownership or investment interest representing more than 1% of the outstanding shares of a publicly traded company or 5% of the outstanding shares or comparable interest of a privately owned company with which APIC has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- A relationship which produces a material amount of income (> 10% of gross annual income) for the director or officer, or a relative of the director or officer, with any entity with whom APIC has or is negotiating an arrangement or which is an involved organization with respect to the arrangement; or
- A compensation arrangement of any kind with any entity or individual with which APIC has or is negotiating an arrangement or with any involved organization with respect to the arrangement.

Each director and each officer of APIC also is required to disclose whether he or she, or one of his or her relatives, has personal funds invested with an investment manager providing, or expected to provide, investment management services to the organization or in a professionally managed investment fund in which the organization is invested or is considering investing (a "co-investment interest"). For the purposes of this Conflict of Interest Policy, a "professionally managed investment fund" shall not include mutual funds or other similar investment vehicles generally available to the investing public on essentially the same terms.