BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

PURPOSE

This policy is designed to help Board Directors identify situations that present potential conflicts of interest, to protect the corporation's interest when contemplating these situations, and to outline a procedure by which the corporation will address this potential conflict. This procedure may allow a transaction to be treated as valid and binding, even though a Board Director has or may have a conflict of interest with respect to the transaction. This policy is intended to supplement but not replace any applicable laws.

SCOPE

This policy applies to members of the Board of Directors.

DEFINITION

Board members have a fiduciary duty to conduct themselves without conflict to the interests of LADD

Conflict of Interest is a transaction or relationship which presents or may present a conflict between a Board member's obligations to LADD and the Board member's personal, business or other interests.
Financial Interest exists if a person has directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which LADD has a transaction or arrangement, or
2. A compensation arrangement with LADD or with any individual with which LADD has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which LADD 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.

POLICY

No member of the LADD Board of Directors or any of its committees shall derive any personal profit or gain, by reason of his or her participation as a member of the LADD Board of Directors. Each individual shall disclose to LADD any personal interest, which he or she may have in any matter pending before LADD and shall refrain from participation in any decision on such matter.

PROCEDURE

1. **Duty to Disclose**:
   a. Prior to board or committee action on a Contract or Transaction, an interested person must disclose his or her financial interest and all material facts to the directors and members of committees with delegated powers who are considering the proposed transaction.
   b. Such Disclosure shall be reflected in the minutes of the meeting.
2. **Determination of Conflict of Interest**
   a. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon.
   b. The remaining board or committee members shall decide if a conflict of interest exists.

c. 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.
d. 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.
e. A person who has a conflict of interest shall not participate in or attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
f. After exercising due diligence, the board or committee shall determine whether LADD can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
g. If a more advantageous transaction or arrangement is not reasonably attained, then the board or committee shall determine by majority vote whether the transaction or arrangement is in the best interest of LADD whether it is fair and reasonable and whether to enter into the transaction or arrangement.

3. Confidentiality. Each responsible person shall exercise care not to disclose confidential information acquired in connection with their status.

4. Violations

a. If the board or committee has reasonable cause to believe that a member failed to disclose actual or possible conflicts of interest, then it shall inform the member of their belief and afford the member the opportunity to explain the alleged failure to disclose.
b. If it is determined that the member has failed to disclose actual or possible conflict of interest then appropriate disciplinary/corrective action will occur.

5. Records of Proceedings

a. The minutes of the governing board and all committees with board delegated powers shall contain information of completing a disclosure.
b. This will be annually as well as any other time a disclosure must occur.

6. 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.

7. Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually or at any time a conflict arises:

a. Be required to review a copy of this policy and acknowledge in writing that he or she has done so by completing the Ethical Code of Conduct Declaration identifying any relationships or circumstances in which the person is involved that he or she believes could contribute to a Conflict of Interest.

BOARD OF DIRECTORS CONFLICT OF INTEREST INFORMATION
ETHICAL CODE OF CONDUCT DECLARATION

Name: ______________________________________ Date:__________________

Please describe below any relationship, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest as defined in LADD's Board of Director's Conflict of Interest Policy.

I understand that as a member of the Board of Directors of Living Alternatives for the Developmentally Disabled, Inc. I have a legal, moral and ethical responsibility to ensure that the organization does the best work possible in pursuit of its Mission, Vision and Values. I believe in the purpose and the mission of the organization and I will act responsible and prudently as its steward.

As part of my responsibilities as a board member:
1. I will interpret the organizations work and values to the community, represent the organization and act as a spokesperson.
2. I will attend at least 75% of the board meetings.
3. I will act in the best interest of the organization and excuse myself from discussion and votes where I have a conflict of interest.
4. I will stay informed about the organization. I will ask questions and request information. I will participate in and take responsibility for making decisions on issues and board matters.
5. I will work in good faith with staff and other board members as partners towards achievement of our goals.
6. I will follow the Code of Conduct and Ethics policy of the corporation and report to the board chair any violations of which I am aware.

The Organization will be responsible:
1. LADD will send financial reports and keep me updated on organizational activities on a regular basis.
2. The organization will help me perform my duties by keeping me informed about issues in the industry and filed and offering me professional development as a board member as requested.
3. LADD will carry directors and officer liability insurance.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed and agree to abide by, the Policy of Conflict of Interests of LADD that is currently in effect.

____________________________________ ____________________

Signature *Date*