

OEMR Conflict of Interest Policy

Article 1- Purpose

The purpose of this conflict of interest policy is to protect the organization when considering entering into a transaction or arrangement that might potentially benefit the private financial interests of an officer, director or staff member of the organization or that 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 applicable to nonprofit and charitable organizations.

Article 2- Definitions

Section 1- Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has either a direct or indirect financial interest, as defined below, is an interested person.

Section 2- Financial Interest: A person has a financial interest if the person has, either directly or indirectly, through business, investment, or family

- An ownership or investment interest in any entity with which the organization has a transaction or arrangement;
- A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction agreement;
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article 3, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article 3- Procedures

Section 1- Duty to Disclose: 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 committees with governing board delegated powers when considering a proposed transaction or arrangement where an actual or potential conflict of interest may exist.

Section 2- Determining if a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person and a presentation by the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed or voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Section 3- Procedures for Addressing a Conflict of Interest: After the interested person has left the meeting, the chairperson of the governing body or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the board or committee shall determine whether the organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not be

a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances that would not produce a conflict of interest, the 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. It shall then make its decision on whether to enter the transaction or arrangement, according to its determination from above.

Section 4- Violations: 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 reason for such belief and give that member the opportunity to explain his or her failure to disclose. After hearing the member's response and conducting an investigation, the governing board or committee will determine if the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article 4- Records

The minutes of the governing board and all committees with board delegated powers shall contain the names of the people 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 or committee's decision as to whether a conflict of interest existed. The minutes shall also contain the names of the people who were present for discussions 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 5- Compensation

A voting member of the governing board who receives either direct or indirect compensation from the organization for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee is

not allowed to vote on matters regarding his or her direct or indirect compensation. Those members are also not allowed to provide any information to any committee regarding compensation.

Article 6- Annual Statements

Each director, principal officer and member of a committee with governing board powers shall sign a statement each year that affirms that person has reviewed a copy of the conflict of interest policy, has read and understands the policy, has agreed to comply with the policy, and understands the organization is charitable and 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 7- Periodic Reviews

To ensure that 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. Those reviews shall include the following minimum topics

- Whether compensation arrangements and benefits are reasonable, based on competent survey information and are the result of arm's length bargaining;
- Whether partnerships, joint ventures and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article 8- Outside Experts

When conducting the periodic reviews as provided for in Article 7, the organization may, but is not required to use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility to ensure that periodic reviews are conducted.

This policy was approved unanimously by the Board of Directors on March 8th, 2017 .