# [Insert NAMI Affiliate Logo here]

**2 Internal & External Relations/Board Conduct**

**2.6 Conflict of Interest Statement**

Employees and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which NAMI [Affiliate] wishes its business to operate. The purpose of these guidelines is to provide general direction so that board members can seek further clarification on issues related to the subject of acceptable standards of operation.

An actual or potential conflict of interest occurs when a board member is in a position to influence a decision that may result in a personal gain for the board member or for a relative as a result of NAMI [Affiliate]’s business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the board member is similar to that of persons who are related by blood or marriage.

No presumption of guilt is created by the mere existence of a relationship with outside firms. However, if a board member has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she discloses to an officer of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee, board member, or relative has a significant ownership in a firm with which NAMI [Affiliate] does business, but also when an employee, board member, or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction of business dealings involving NAMI [Affiliate].

The materials, products, designs, plans, ideas, and data of NAMI [Affiliate] are the property of NAMI [Affiliate], and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that a board member has personally gained by such action, constitutes unacceptable conduct. Any board member who participates in such a practice shall be subject to disciplinary action by the full board.

**2.6.1 Reason for the Statement**

NAMI [Affiliate], as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS, as well as state corporate and tax officials, view the operations of NAMI [Affiliate] as a public trust that is subject to scrutiny by and accountability to such governmental authorities as well as to members of the public.

Consequently, there exists between NAMI [Affiliate] and its board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of NAMI [Affiliate] honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of NAMI [Affiliate]. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with NAMI [Affiliate] or knowledge gained therefrom for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

**2.6.2 Persons Concerned**

This statement is directed not only to board members and officers, but to all employees who can influence the actions of NAMI [Affiliate]. For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel,” and all who have proprietary information concerning NAMI [Affiliate].

**2.6.3 Areas in Which Conflict May Arise**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

* Persons and firms supplying goods and services to NAMI[Affiliate]
* Persons and firms from whom NAMI [Affiliate] leases property and equipment
* Persons and firms with whom NAMI [Affiliate] is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property
* Competing or affinity organizations
* Donors and others supporting NAMI [Affiliate]
* Agencies, organizations, and associations that affect the operations of NAMI [Affiliate]
* Family members, friends, and other employees

**2.6.4 Nature of Conflicting Interests**

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in Section 3. Such an interest might arise through:

* Owning stock or holding debt or other proprietary interests in any third party dealing with NAMI [Affiliate]
* Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with NAMI [Affiliate]
* Receiving remuneration for services with respect to individual transactions involving NAMI [Affiliate]
* Using NAMI [Affiliate]’s time, personnel, equipment, supplies, or good will for other than NAMI [Affiliate] approved activities, programs, and purposes
* Receiving personal gifts or loans from third parties dealing with NAMI [Affiliate]. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

**2.6.5 Interpretation of this Statement of Policy**

The areas of conflicting interest listed in Section C, and the relations in those areas that may give rise to conflict, as listed in Section D, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the board members, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section D exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of NAMI [Affiliate].

However, it is the policy of the board that the existence of any of the interests described in Section D shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

**2.6.6 Disclosure Policy Procedure**

Disclosure should be made according to the NAMI [Affiliate] standards. Transactions with related parties may be undertaken only if all of the following are observed:

* A material transaction is fully disclosed in the audited financial statements of the organization;
* The related party is excluded from the discussion and approval of such transaction;
* A competitive bid or comparable valuation exists; and
* The organization’s board has acted upon and demonstrated that the transaction is in the best interest of the organization.

Disclosure involving directors should be made to the board chair, who shall bring these matters, if material, to the board.

Disclosure in the organization should be made to the chief executive (or if she or he is the one with the conflict, then to the board chair), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the board chair.

Board members will be provided with vendor information on a quarterly basis, prior to each Board meeting and are asked to review their previous disclosures for any needed updating. The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to NAMI[Affiliate] . The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of NAMI [Affiliate] and the advancement of its purpose.

**2.6.7 Recusal**

Board members with a potential conflict of interest shall recuse themselves provided that the Board by majority vote may wave such conflict.

(see next page for Disclosure Form)

**2.7 NAMI [Affiliate] Board of Directors Conflict-of-Interest Form**

Conflicts can arise from many ordinary and appropriate activities; the existence of a conflict does not imply wrong doing on anyone's part.  But when conflicts do arise, they must be recognized and disclosed, and then eliminated or appropriately managed.  Some relationships may create an appearance of conflict; those too, are important to eliminate or manage so that we may maintain public confidence in the integrity of our activities.

Name:

Last name:       First name:       Middle name:

Home Address:

Street:

City:       State:       ZIP:

Phone Numbers: E-mail:

Day time:

Evening:

Cell:

**AREAS IN WHICH CONFLICT MAY ARISE:** Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

* Persons and firms supplying goods and services to NAMI [Affiliate]
* Persons and firms from whom NAMI [Affiliate] leases property and equipment
* Persons and firms with whom NAMI [Affiliate] is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property
* Competing or affinity organizations
* Donors and others supporting NAMI [Affiliate]
* Agencies, organizations, and associations that affect the operations of NAMI [Affiliate]
* Family members, friends, and other employees

**NATURE OF CONFLICTING INTEREST:** A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned above. Such an interest might arise through

* Owning stock or holding debt or other proprietary interests in any third party dealing with NAMI [Affiliate]
* Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with NAMI [Affiliate]
* Receiving remuneration for services with respect to individual transactions involving NAMI [Affiliate]
* Using NAMI [Affiliate]’s time, personnel, equipment, supplies, or good will for other than NAMI [Affiliate]approved activities, programs, and purposes
* Receiving personal gifts or loans from third parties dealing with NAMI [Affiliate]. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

Under this policy, do you have any potential or perceived conflicts of interest to disclose?

[ ]  **No, I have no potential or perceived conflicts of interest to disclose.**

[ ]  **Yes, I have the following potential or perceived conflicts of interest to disclose:**

 [ ]  **I have read and understand NAMI [Affiliate]’s conflict-of-interest policy and agree to be bound by it. I will promptly inform the Board president of any material change that develops in the information contained in the foregoing statement.**

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Interim Review:** Board members are required to review this disclosure and NAMI [Affiliate]’s updated vendor/supporter list prior to each Board meeting and to provide any relevant updates.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_

* No changes
* Changes noted

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_

* No changes
* Changes noted

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_

* No changes
* Changes noted

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_

* No changes
* Changes noted