



Indiana Organization for Nursing Leadership	ADMINISTRATIVE POLICY
Policy & Procedure Title: Conflict of Interest	
Category: Legal	

CONFLICT OF INTEREST

I. POLICY STATEMENT

The Indiana Organization for Nursing (the Organization) has established this Conflict of Interest Policy to protect its interests when contemplating entering into a transaction or arrangement that might benefit the private interests of an officer, director, or other interested person of the Organization. This policy is meant to supplement but not replace any applicable federal and state laws governing conflicts of interests applicable to nonprofit and charitable corporations.

II. DEFINITIONS

A. INTERESTED PERSON

Any director, principal officer, key employee, or member of a committee with governing board delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. Key employee includes the Executive Director.

B. FINANCIAL INTEREST

1. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. an ownership or investment interest in any entity with which the Organization has a transaction or arrangement, or
 - b. a compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - c. 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.
2. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
3. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists as outlined below.

III. Procedures

A. 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 committees with board delegated powers considering the proposed transaction or arrangement.

B. 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, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

C. PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

1. An interested person may make a presentation at the governing board or committee meeting, but after such 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.
2. 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.
3. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the governing board or committee shall determine by majority vote of disinterested directors whether the transaction or arrangement is in the Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.



Indiana Organization for Nursing Leadership	ADMINISTRATIVE POLICY
Policy & Procedure Title: Conflict of Interest	
Category: Legal	

IV. Violations of the Conflict-of-Interest Policy

- A. If the governing board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member the opportunity to explain the alleged failure to disclose.
- B. If, after hearing the response of the member and making such further investigation as may be warranted under the circumstances, the governing board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest it shall take appropriate disciplinary and corrective action.

V. Records of Proceedings

The minutes of the governing board and all committees with board delegated powers 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 governing board's or committee's decision as to whether a conflict of interest in fact existed; and
- B. The names of the persons who were present for discussion 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.

VI. 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.
- C. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

VII. Annual Statements

Each director, principal officer, member of a committee with board delegated powers, and key employee shall annually sign a statement which affirms that such person:

- A. Has received a copy of the conflict of interest policy
- A. Has read and understands the policy
- B. Has agreed to comply with the policy, and
- C. Understands that the Organization is a nonprofit organization and that in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

VIII. Annual Statements

To ensure the Organization operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:



Indiana Organization for Nursing Leadership	ADMINISTRATIVE POLICY
Policy & Procedure Title: Conflict of Interest	
Category: Legal	

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey

information, and the result of arm’s length bargaining.

- B. 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 don’t result in inurement, impermissible private benefit, or in an excess benefit transaction.

IX. Use of Outside Experts

When conducting the periodic reviews, as provided for in Article VIII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Modeled after IHA’s Conflict of Interest Policy by Mary Browning, Executive Director July 2014

Approved by Board on August 8, 2014

Reviewed June 2017

Reviewed by Hall Render May 2020

Approved by Board on June 12, 2020



Indiana Organization for Nursing Leadership	ADMINISTRATIVE POLICY
Policy & Procedure Title: Conflict of Interest Category: Legal	



Indiana Organization for Nursing Leadership	ADMINISTRATIVE POLICY
Policy & Procedure Title: Conflict of Interest Category: Legal	