

# National Association of State Mental Health Program Directors Research Institute, Inc., (NRI)

## Conflict of Interest Policy for NRI Officers, Directors or Trustees and Key Employees

The purpose of the following policy and procedures is to prevent the personal interest of officers, directors or trustees, and key employees from interfering with the performance of their duties to NRI, or result in personal financial, professional, or political gain on the part of such persons at the expense of NRI or its Members, supporters, and other stakeholders.

*Conflict of Interest* (also Conflict) means a conflict, or the appearance of a conflict, between and among the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include officers, directors, trustees, and key employees of NRI.

- *Officer* means an officer of the Board of Directors.
- *Director or Trustee* means a member of the Board of Directors.
- *Key Employee* is someone other than an officer, director or trustee who: had reportable compensation from the organization and related organizations exceeding \$150,000 (the “\$150,000 Test”); had or shared organizational control of influence similar to that of an officer, director or trustee, or managed or had authority or control over at least 10% of the organizations activities (the “Responsibility Test”); and was within that group of the organization’s top 20 highest paid employees who satisfied both the \$150,000 Test and the Responsibility Test (the “Top 20 Test”).
- *Staff* means a person who receives all or part of her/his income from the payroll of NRI.
- *Supporter* means corporations, foundations, individuals, 501 (c ) (3) nonprofits, and other nonprofit organizations who contribute to NRI.

### ***POLICY AND PRACTICES***

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, including but not limited to the following:
  - a. A board member is related to another board member or staff member by blood, marriage or domestic partnership.
  - b. A board member, their organization or its' staff receives payment from the NRI for any subcontract or service. Payment to their organization or its' staff for subcontract or consultant work approved under a Federal contract or grant managed by the NRI is exempt from this disclosure requirement. Reimbursement for reasonable travel expenses incurred as a board member to attend meetings is also exempt from this disclosure requirement.
  - c. A board member's organization receives grant funding from the NRI.
  - d. A board member or staff member is a member of the governing body of a contributor to the NRI.

- e. An officer, director or trustee or key employee accepts a gratuity, loan, service or other favor that might influence the proper performance their duties.
  - f. A key employee uses information gained, as a result of employment with the NRI for personal gain.
2. Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect NRI's best interests. All votes shall be by a majority without counting the vote of any interested director, even if the disinterested directors are less than a quorum provided that at least one consenting director is disinterested.
3. A Board member who is formally considering employment with NRI must take a temporary leave of absence from the board until the position is filled. Such a leave will be taken within the Board member's elected term which will not be extended because of the leave. A Board member who is formally considering employment with NRI must submit a written request for a temporary leave of absence to the President, indicating the time period of the leave. The President of NRI will bring the request to the Board for action. The request and any action taken shall be reflected in the official minutes of the NRI Board meeting.
4. An interested Board member, officer, or employee member shall not participate in any discussion or debate of the Board of Directors, or of any committee or subcommittee thereof in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present board or committee member.
5. Anyone in a position to make decisions about spending NRI's resources (i.e., transactions such as purchases or contracts) – who also stands to benefit from that decision – has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any decisions involving the transaction.
6. A copy of this policy shall be given to all officers, directors or trustees, and key employees upon commencement of such person's relationship with NRI or at the official adoption of stated policy. Each officer, director or trustee, and key employee shall sign and date the policy at the beginning of her/his term of service or employment and each year thereafter. Failure to sign does not nullify the policy. The Conflict of Interest Policy for NRI officers, directors or trustees and key employees is available to the public and may be viewed on our website. NRI will also provide copies to the public upon request.
7. The Director of Human Resources shall maintain signed acknowledgement forms for each officers, directors or trustees, and key employees annually. In addition, each officer, director

or trustee, and key employee should submit a disclosure form in writing to the Director of Human Resources indicating all conflicts of interest on an annual basis. The Director of Human Resources will submit to the Board of Directors any and all disclosure forms. The Director of Human Resources will maintain any files related to this.

8. Outside employment or honoraria for key employees shall be allowed so long as the work does not interfere in scope and timing with the key employee's duties nor involve a conflict of interest, or perceived conflict of interest, for NRI. To insure that no conflict of interest or perceived conflict of interest is involved, the following guidelines shall apply:
  - a. Unless prior approval is received from the Board of Directors, no outside work shall be performed for any entity that has provided funds to, or received from NRI in the prior 12 months.
  - b. No outside employment shall be performed in a content area related to either the key employee's duties or the purposes of NRI.
  - c. All outside employment activities shall be conducted on leave time.
  - d. A key employee, who wishes to serve in an advisory capacity to another organization or sit on the board of directors or other committee of another organization, must disclose the matter. The key employee shall submit to the Board President a record of all outside employment conducted which shall identify all sources of outside employment and the scope of activities involved.
  - e. No key employee shall accept personal remuneration for the performance of tasks that fall within the official responsibilities of his or her position at the NRI. Remuneration for activities directly related to NRI responsibilities and concerns shall be reimbursed to NRI.

Language from National Council of Nonprofits Sample Conflict of Interest Policy