

VOLUNTEER DISCLOSURE AND CONFLICT OF INTEREST POLICIES & PROCEDURES

General

The Directors and AAPA volunteer leaders (collectively referred to as “Leaders”) of the American Academy of Physician Assistants (“AAPA”) have a fiduciary duty to act at all times in the best interest of AAPA. This fiduciary responsibility requires such Leaders to avoid engaging in any real or potential conflict of interest or creating the perception of conflict of interest. In their capacity as Leaders, they must subordinate personal, individual, business, third-party and other interests to the interests of AAPA. Moreover, the Board of Directors (“BOD”) has an obligation to ensure that the organization is transparent and maintains an unbiased decision making process.

All capitalized terms used herein shall have the meanings ascribed to them as defined in this Volunteer Disclosure and Conflict of Interest Policies and Procedures (“Policy”).

Purpose

The purpose of this Policy is not punitive. The intent of this policy is to inform Leaders about what constitutes a conflict of interest, assist them in identifying and disclosing actual and potential conflicts, help them to avoid conflicts of interest where necessary, and ensure that all of the deliberations and decisions of Leaders protect the interests of AAPA, particularly when a Leader contemplates entering into any transaction or arrangement that may directly or indirectly benefit the Leader financially (i.e., through business, family, or investment). A Leader may not use his or her position with respect to AAPA, or confidential information relating to AAPA, in order to achieve a financial benefit for himself or herself or for a third party, including another nonprofit or charitable organization. This Policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable organizations.

Definitions

“Compensation” means any direct or indirect remuneration, as well as gifts or favors, that may create a real or perceived conflict of interest with the public or with AAPA members.

“Director” means any member of the BOD.

“Family Member” means a spouse (including former spouses within last five years), ancestor, sibling, child, stepchild, grandchild, great-grandchild, or the spouse (or former spouse) of such persons and any individual who is defined as “Family” in AAPA policy HX-4800.1.

“Financial Interest” means an interest, directly or indirectly, through business, investment or a Family Member, in:

- (a) An existing or potential ownership or investment interest in any entity with which AAPA has a transaction, contract, or other arrangement; or
- (b) An employment or other compensation arrangement with AAPA or with any entity or individual with which AAPA has a transaction, contract, or other arrangement; or

(c) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AAPA is contemplating or negotiating a transaction, contract, or other arrangement; or

(d) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of AAPA.

“Leaders” means any Director or Academy volunteer leader of AAPA.

What is a Conflict of Interest?

A conflict of interest arises when a Leader has some interest—which may be a financial interest or other interest—that suggests divided loyalty on the part of the individual between obligations to AAPA and to the individual’s personal interests or to the interests of a family member or some other organization or cause. Such a conflict arises from a transaction between AAPA and a third party, or the Leader’s relationship with a third party, or the Leader’s relationship to another Leader (personal, professional or otherwise), which might, in fact or in appearance, call into question their duty of undivided loyalty to AAPA.

Conflicts and related confidentiality issues come in various forms. Below are three common types of conflict/confidentiality issues. Guidance on managing these issues can be found under “Administering the Policy” below.

1. Direct Conflict - Where AAPA is considering a decision on a transaction or other arrangement in which the interests of a Leader could, in fact or in appearance, be advanced (directly or indirectly through an affiliate or Family Member) or when the Leader’s interests could reasonably be viewed as affecting his or her objectivity or duty of loyalty to AAPA.
2. Informational Conflict - Where AAPA information is provided to a Leader that could, in fact or in appearance, advance the interests of a Leader or potentially be used to harm AAPA.
3. General Duty of Confidentiality - Where confidential or proprietary AAPA information is shared with Leaders, Leaders have an obligation only to use the information for AAPA purposes and to refrain from disclosing it.

Duty to Disclose, Refrain from Influence, and Recuse

In a robust business environment which relies on rigorous volunteer efforts, potential conflicts often arise. The fact that a relationship merely exists may not be problematic if a potential conflict is identified and disclosed, mitigated and managed appropriately. Disclosure and removing the Leader with the conflict from the decision process is essential to managing conflicts of interest.

When a Leader becomes aware of a previously undisclosed current or proposed conflict, he or she has a duty to immediately disclose the material facts concerning conflict, in writing, to the appropriate person (See “Appendix A: Administering the Policy”). Any Leader who has a conflict shall:

- (a) refrain from using his/her personal influence to encourage AAPA to enter into the transaction or other arrangement, or make any attempt to influence improperly the deliberation or voting on such transaction or other arrangement;
- (b) physically excuse himself/herself from participation in any discussions regarding the transaction or other arrangement with other Leaders, officers and employees of AAPA and at meetings of the BOD or any applicable committee, except to respond to requests for information about the transaction or other arrangement; and
- (c) not participate in voting related to the transaction or arrangement.

Annual Disclosure Form

Each Leader is also required to annually complete and submit a Disclosure Form and Confidentiality Agreement (a "Disclosure Form") provided by AAPA, detailing any financial Interest, as well as paid and unpaid positions and relationships with third party organizations, and arrangements or relationships with AAPA and other Leaders. Leaders are also required to update the Disclosure Form if any material changes or additions to the submitted information arise during the course of the year or in a BOD, HOD or Committee meeting where a potential conflict arises. On the Disclosure Form, the Leader must list ownership of other proprietary interests, responsibilities, relationships, or other circumstances that may lead to an actual, potential or perceived conflict of interest; whether the Leader or any Family Member has personal or business relationships, activities, or interests which could potentially appear to the public as impairing your objectivity making decisions on AAPA matters; or, whether the Leader or any Family Member receives compensation (not expense reimbursement) or other material financial benefits from AAPA. Each Leader is encouraged to disclose a relationship if there is any uncertainty as to whether the relationship should be disclosed.

Evaluating Conflict of Interest

- When evaluating whether a particular transaction or relationship constitutes an actual, potential or perceived conflict of interest, the reviewing body shall consider the following:
 - Abusing one's role as a Leader for personal or third-party gain or pleasure (including, but not limited to, the solicitation or acceptance of non de minimis gifts or other items of value or indirect inducement to provide special treatment on organizational matters).
 - Placing one's own self-interest, the interest of one's company, organization or another entity for which the individual serves in a leadership, employment or ownership capacity, or the interest of any third party above that of AAPA.
 - Engaging in any outside business, professional or other activities that would directly or indirectly materially adversely affect AAPA.
 - Providing goods and services to AAPA as a paid vendor.
- If the reviewing body determines that a particular relationship or transaction represents an actual, potential or perceived conflict of interest, it shall recommend to resolve the actual, potential or perceived conflict in one of the following manners:

- *Waive* the actual, potential or perceived conflict of interest as unlikely to affect the Leader's ability to act in the best interests of AAPA;
 - Determine that the individual Leader should *recuse* himself/herself from all deliberations, decision-making and documents related to the specific transaction which gives rise to the actual, potential or perceived conflict of interest. This resolution should apply particularly when the transaction or relationship is one which presents a conflict of interest only with respect to one or two discrete transactions, programs or activities.
 - Determine that the individual Leader should *resign/be removed* from his/her service to AAPA, because the actual, potential or perceived conflict of interest is such that it would prevent the Leader from being able to serve the best interests of the AAPA.
- In determining how to deal with a conflict, potential conflict, or a confidentiality issue, the reviewing body may use the following principles as a guide:
 - Direct Conflict- Where there is a direct conflict (e.g., AAPA is considering a transaction with a consulting company in which a Director or a Director's Family Member has a Financial Interest), the Leader with the conflict should recuse himself/herself from any consideration of, or work regarding, the transaction, including documents, deliberation, and voting. If it is determined that the conflict is such that the Leader cannot continue with AAPA, he/she should resign or be removed from his/her service to the AAPA.
 - Informational Conflict- Where information is provided to AAPA that could benefit an outside interest of a Leader and potentially harm AAPA (e.g. where a Leader has a Financial Interest in a consulting company and AAPA has decided to operate a program that would compete with the consulting company), the Leader with the conflict shall not have access to documents and discussions that could provide him or her a material advantage. The Leader could still receive general updates on the matter in question, but nothing that could provide a material advantage to the Leader.
 - General Confidentiality Requirement- Where information is provided to an AAPA Leader that would not necessarily benefit the outside interests of a Leader, there is still an obligation for the Leader to only use the information for AAPA purposes and to refrain from disclosing it. Leaders are required to certify their compliance with the general confidentiality requirement by executing the attached Disclosure Form in accordance with this Policy.
 - The reviewing body will accept testimony from the Leader and discuss options with the Leader, including timeframe to take action and possible actions (see above: waive, recuse, resign/be removed).

Records of Proceedings

The minutes of any meeting at which a committee or the BOD determines that an actual, potential or perceived conflict of interest exists and requires mitigation shall contain:

- The names of persons found to have an actual, potential or perceived conflict of interest; the nature of the actual, potential or perceived conflict; the actions taken to determine whether a

conflict of interest was present; and the decision as to whether a conflict of interest, in fact, exists.

- The names of the persons who were present for discussions, any alternatives to the proposed transaction or arrangement that were considered, and the votes relating to the actual potential, or perceived conflict of interest.

These records will remain confidential. Per the AAPA Board Manual (Section VIII.A.4), the BOD enter into an Executive Session and record confidential actions in executive session meeting minutes. Members may still request to inspect copies of any official meeting minutes from the past three years.

Periodic Reviews

The BOD shall periodically consider whether and how this Policy should be revised or amended to better meet the Policy's objectives in order to mitigate risk to both the organization and volunteers.

Appendix A: Administrating the Policy

The BOD is responsible for the AAPA Conflict of Interest and Disclosure Policies. All Leaders are subject to the Policy, including completion of the Disclosure Form included as part of this Policy.

The Internal Affairs Committee (IAC) of the AAPA BOD will administer and monitor compliance with this policy for all Leaders. The HOD is responsible for administration of the policy among HOD Delegates. However, any Delegate found to have a disclosure issue will be brought to the attention of the IAC for subsequent review.

Current Board of Directors

- Directors will receive a copy of this Policy and shall complete the Disclosure Form at the beginning of each leadership year.
- Directors shall update their Disclosure Forms as soon as they are aware of any new potential conflict.
- BOD meeting agendas will include this statement from the Chair of the BOD:

“It is my duty to remind you that the American Academy of PAs maintains an official policy with respect to the disclosure of bias and potential conflicts of interest, and related party transactions. If you are about to participate in a meeting where a conflict may apply, you should disclose the conflict to the chair of the meeting and ask the chair of the meeting whether you should recuse yourself or not participate in the discussion for its duration.”
- The IAC, with the aid of legal counsel, will make the initial determination of whether a particular transaction, relationship or other arrangement may constitute an actual, potential or perceived conflict of interest.
- The IAC will make a recommendation to the BOD, who will make the final determination whether there is an actual, potential or perceived conflict of interest, and, if so, how to resolve the matter.

Director Candidates

- Candidates for all elected Director positions will receive a copy of this Policy. Each candidate is responsible for completing the Disclosure Form prior to election.
- Write-in candidates and candidates nominated on the HOD floor are responsible for complying with this Policy, and shall submit a Disclosure Form immediately following their election.
- The IAC, with the aid of legal counsel, will make the initial determination of whether a particular transaction, relationship or other arrangement may constitute an actual, potential or perceived conflict of interest.
- The IAC will make a recommendation to the BOD, who will make the final determination whether there is an actual, potential or perceived conflict of interest, and, if so, how to resolve the matter.

Delegates Serving in the HOD

- See the HOD Standing Rules in the AAPA Policy Manual

All Other Leaders

- Other Leaders will receive a copy of this Policy and shall complete the Disclosure Form at the start of each leadership year, or prior to beginning service on behalf of the Academy if the appointment does not align with the leadership year.
- Leaders shall update their Disclosure Forms as soon as they are aware of any new potential conflict.
- Governance staff may support the IAC's work by screening the volunteer Disclosure Forms. Those disclosures that are determined to potentially require mitigation will be referred to the IAC for review.
- The IAC, with the aid of legal counsel, will make the initial determination of whether a particular transaction, relationship or other arrangement may constitute an actual, potential or perceived conflict of interest.
- The IAC will make a recommendation to the BOD, who will make the final determination whether there is an actual, potential or perceived conflict of interest, and, if so, how to resolve the matter.