

**NORTHERN MICHIGAN REGIONAL ENTITY
ADMINISTRATIVE MANUAL**

POLICY NAME: CONFLICT OF INTEREST POLICY FOR SUBSTANCE USE DISORDER SERVICES
CHAPTER: TWO - GOVERNANCE
POLICY #: 02-01-003-S
EFFECTIVE DATE: November 26, 2014

POLICY

It is the policy of the Northern Michigan Regional Entity (NMRE) that the Substance Use Disorder Policy Oversight Board (the "Board") shall provide a means for any Covered Person to identify and report to the Board any direct or indirect Financial Interest and any actual or potential Conflict of Interest and, based on that information, to permit the Board to review such Financial Interests and Conflicts of Interest and provide a process for the Board to follow when managing Conflicts of Interest, all in accordance with applicable law.

OBJECTIVE

The objective of this policy (the "Policy") is to provide an effective oversight process to protect the interests of the Board when contemplating a transaction, arrangement, proceeding, or other matter that might benefit the private interest of an individual or another entity. The Policy accomplishes this objective by defining Conflict of Interest, identifying individuals subject to this Policy, facilitating the disclosure of actual and potential Conflicts of Interest and Financial Interests and setting forth procedures by which the Board will manage Conflicts of Interest. This Policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interest in governmental entities.

SCOPE

Individuals covered under this policy include all Members of the Board, who are collectively referred to in this Policy as "Covered Person(s)."

DUTIES OF COVERED PERSONS

1. Duty of Care.

Every Covered Person shall act in a reasonable and informed manner and perform his or her duties for the Board in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.

2. Duty of Loyalty.

Every Covered Person owes a duty of loyalty to act at all times in the best interest of the Board and not in the interest of the Covered Person or any other entity or person, other than the County whose Board of Commissioners appointed the Covered Person to the Board.

3. **Conflict of Interest.**

Annually, each Covered Person shall complete a Financial Interest and Disclosure Statement identifying any financial interests as defined in this Policy, to the operations of the Board or any entity with which the Board may interact. Additionally, at the start of each Board meeting, each Covered Person will identify to the Board any potential Conflict of Interest relating to any agenda item. The Board shall then determine how this Conflict of Interest is to be addressed.

No Covered Person may participate in the approval, disapproval, or recommendation of the expenditure of funds for a transaction, arrangement, proceeding, or other matter coming before the Board, in which the Covered Person, the Covered Person's Family Member or an organization in which the Covered Person is serving as an officer, director, trustee, or employee has a Financial Interest. Every Covered Person shall:

- a) Disclose all Financial Interests as set out below; and
- b) Participate in discussion of the issue only as approved by the Board and shall recuse himself or herself from voting on the approval, disapproval, or recommendation of the expenditure of funds for any transaction, arrangement, proceeding, or other matter in which he or she has a Financial Interest

DEFINITIONS

Conflict of Interest. A Conflict of Interest arises when a Covered Person participates or proposes to participate in the approval, disapproval, or recommendation of the expenditure of funds for a transaction, arrangement, proceeding, or other matter coming before the Board, except for consideration and decision making regarding the PA 2 fund budget, in which the Covered Person, the Covered Person's Family Member, or an organization in which the Covered Person is serving as an officer, director, trustee, or employee has a financial Interest

Family Member. A family member means spouse, parent, children (natural or adopted), siblings (whole- or half-blood), father-in-law, mother-in-law, grandchildren, great grandchildren and spouses of siblings, children, grandchildren, great grandchildren, and all step family members, and any person(s) sharing the same living quarters in an intimate, personal relationship that could affect decisions of the Covered Person in a matter that conflicts with this Policy.

Financial Interest. A Covered Person has a Financial Interest if he or she has, directly or indirectly, actually or potentially, through a business, investment, or through a Family Member:

- a) an actual or potential ownership, control or investment interest in , or serves in a governance or management capacity for, and entity involved in a transaction arrangement, proceeding, or other matter coming before the Board for its approval or recommendation, except for consideration and decision making regarding the PA 2 fund budget; or
- b) an actual or potential compensation arrangement with any entity or individual involved in a transaction arrangement, proceeding, or other matter coming before the Board for its approval or recommendation, except for consideration and decision making regarding the PA 2 fund budget.

Compensation. Compensation includes direct or indirect remuneration, in cash or in kind.

Interested Person. An Interested Person is a Covered Person who has a Financial Interest.

REFERENCE:

REVISED:

REVIEWED:

APPROVED: November 3, 2014 by NMRE SUD Policy Oversight Board

November 26, 2014 by NMRE Board of Directors

Signed copy is on file with NMRE

Dave Schneider
Northern Michigan Regional Entity Chief Executive Officer

Date

Signed copy is on file with NMRE

Joe Stone
Northern Michigan Regional Entity Board Chair

Date