

**NORTHERN MICHIGAN REGIONAL ENTITY
ADMINISTRATIVE MANUAL**

PROCEDURE NAME: CONFLICT OF INTEREST PROCEDURE
CHAPTER: TWO - GOVERNANCE
PROCEDURE #: 02-02-002
EFFECTIVE DATE: January 1, 2014

PURPOSE

It shall be the policy of Northern Michigan Regional Entity (the "Entity") to provide a means for any Covered Individual to identify and report to the Entity's Board (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.

APPLICATION

This procedure applies to the Northern Michigan Regional Entity (NMRE) Board, NMRE Employees, and NMRE Leased Employees. It is also intended to serve as the acceptable standard for the CMHSP Members of the NMRE.

PROCEDURE

- I. Reporting Known or Potential Conflict of Interest
 - A. At any time that a Covered Individual has a direct or indirect financial interest or potential Conflict of the Interests of the NMRE and the individual's personal, financial, or other interests, the individual is to complete the "Conflict or Interest Waiver Request" form (Attachment A).
 - B. The Covered Individual is to provide all pertinent information on the "Conflict of Interest Waiver" form and submit the form to the CEO of the NMRE.
 - C. It is the responsibility of the Covered Individual to submit the "Conflict of Interest Waiver Request" form within five (5) business days of becoming aware of a potential or known conflict.

- II. Review of Submitted Conflict of Interest Reports
 - A. The NMRE CEO is the first level of review for all "Conflict of Interest Waiver Requests." For all requests submitted by an employee or leased employee:
 1. The NMRE CEO will request additional information if needed.
 2. The NMRE CEO will review the information and determine whether a significant conflict does exist and whether the proposed solution is acceptable.
 3. If necessary, the NMRE CEO will review the situation with the Covered Individual to discuss various ways of eliminating or managing the Conflict of Interest.
 4. The NMRE CEO will, upon completing a review of the potential conflict situation, provide a written response to the Covered Individual. This response will include:
 - a. Determination of whether the situation presents a Conflict of Interest, with explanation of the determination.
 - b. As appropriate, steps to be taken to eliminate or remediate the Conflict of Interest.
 - c. Potential consequences, both the organization and the Covered Individual if the potential conflict is not resolved.

 - B. For all requests submitted by a Board Member, the NMRE CEO shall:

1. Forward the request to the NMRE Board Chairperson. The Board Chairperson will determine whether additional information is needed. If so, the Board Chairperson will request the additional information from the Board Member.

Board Deliberation. After disclosing the Financial Interest, together with any additional oral or written presentation of material or discussion requested by the Board Chairperson, the Board Chairperson shall arrange for consideration by the Board. The Covered Individual shall leave the Board meeting while the Board discusses the information and votes regarding how to manage the Conflict of Interest and whether or not to grant a waiver. The Covered Individual shall not take part in the Board's due diligence deliberations.

Appointment of Disinterested Person. If the Board determines it is advisable, the Board may appoint a disinterested person to conduct further investigation regarding the reported Financial Interest and Conflict of Interest and make a report back to the Board.

Board Vote. The Board, after exercising due diligence regarding the reported Financial Interest and Conflict of Interest, shall, by vote, make a determination as to whether or not the Entity can obtain a more advantageous transaction, arrangement, proceeding, or other matter with reasonable efforts from another person or entity that would not involve the Covered Individual and not give rise to a Conflict of Interest. The Covered Individual shall not take part in the Board's due diligence deliberations or any vote on how to manage the Conflict of Interest and whether or not to grant a waiver.

Notice to Interested Person. If the Board determines, by majority vote of disinterested members, that it may, with reasonable efforts, obtain a more advantageous transaction, arrangement, proceeding, or other matter from another person or entity not involving the Covered Individual, it shall notify the Covered Individual and may instruct the NMRE CEO to pursue such other transactions, arrangements, proceedings, or other matters or the Board may restrict the Covered Individual's participation in the matter, as the Board determines appropriate.

Granting a Conflict of Interest Waiver. If the Board determines that it is not able, with reasonable efforts, to obtain a more advantageous transaction, arrangement, proceeding, or other matter from another person or entity not involving the Covered Individual, or, that the Financial Interest is not so substantial as to be likely to affect the integrity of the services which the Entity may expect from the Covered Individual, the Board may vote to waive the potential Conflict of Interest and proceed with the proposed transaction, arrangement, proceeding, or other matter and/or the Covered Individual's participation in the matter. A "Conflict of Interest Waiver" shall be completed in writing and signed by the Board Chairperson on the Entity's "Conflict of Interest Waiver" form (Attachment B). The "Conflict of Interest Waiver" may restrict the Covered Individual's participation in the matter, to the extent deemed necessary by the Board, or the "Conflict of Interest Waiver" may cover all matters the Covered Individual may undertake as part of his/her official duties with the Entity, without specifically enumerating such duties. All "Conflict of Interest Waivers" shall be issued prior to the Covered Individual's participation in any transaction, arrangement, proceeding, or other matter on behalf of the Entity.

III. Annual Reviews

A. Employees and Leased Employees

In all instances in which an employee, or leased employee, has an existing Conflict of Interest, with required steps to reduce or remediate the conflict, the NMRE CEO will annually review the situation to ensure that the required steps have been implemented. The review will assess the extent that any potential conflict has been reduced and the appropriateness of continuing action. As necessary, the NMRE CEO may repeat process described in II.A above.

B. Board Members

1. On an annual basis, each Board Member shall complete a "Conflict of Interest Acknowledgement Form" (Attachment C). This form acknowledges receipt of the Conflict of Interest Policy and Procedure, and either declares no conflicts of interest or identifies potential or known conflicts of interest.
2. The Board Chairperson shall review all existing Conflict of Interest Waivers granted to current Board Members, as well as all Conflict of Interest Acknowledgement Forms. As appropriate, the Board Chairperson may determine that the Board should again review the matter, as outlined in II.B, above.

IV. Record Keeping

The minutes of the NMRE Board or any committees with Board-delegated powers shall contain:

- A. The names of Covered Individuals who disclosed or otherwise were found to have a Financial Interest, the nature of the Financial Interest, any due diligence investigation of the Financial Interest and potential Conflict of Interest, and the Board's decision with regard to the matter. If a written waiver of a Conflict of Interest is granted, a copy of the written waiver shall be attached to the minutes of the meeting at which it was granted.
- B. The names of all persons who were present for discussion and votes related to the transaction or arrangement involved in the Financial Interest, a summary of the content of the discussion, including any alternatives proposed to the transaction or arrangement, and a record of any vote taken in connection with the matter.
- C. If the NMRE Board grants a waiver of a Conflict of Interest, the waiver shall be in writing and shall be signed by the Board Chairperson, and shall describe the Financial Interest, the proceeding, transaction or matter to which the Financial Interest applies, the Covered Individual's role in the proceeding, transaction or matter, and any restriction on the Covered Individual's participation in the proceeding, transaction or matter.

REFERENCE:

REVISED:

REVIEWED: March 26, 2014

Signed copy is on file with NMRE

Dave Schneider
Northern Michigan Regional Entity Chief Executive Officer

Date

**NORTHERN MICHIGAN REGIONAL ENTITY
CONFLICT OF INTEREST WAIVER REQUEST**

Name: _____ **Date:** _____

Position with NMRE: _____

Description of decision-making role and spending authority within the NMRE (Example: Board Member approving contracts; Staff Member recommending contracts or evaluating performance, etc.)

Conflict of Interest (Provide name of individuals or organizations involved, what is the specific potential conflict, what is the possible benefit to you, etc.)

Suggested Resolution (What do you propose as an appropriate way to avoid or negate this conflict?)

Determination of Waiver or Conflict

Signature

Date Submitted

**NORTHERN MICHIGAN REGIONAL ENTITY
CONFLICT OF INTEREST ACKNOWLEDGEMENT FORM**

Name: _____ Date: _____

I have received the NMRE Conflict of Interest Policy. I have read the Northern Michigan Regional Entity Conflict of Interest Policy and understand how it applies to my position on the NMRE Board of Directors.

Signature

I have received the NMRE Conflict of Interest Procedure. I have read the Northern Michigan Regional Entity Conflict of Interest Procedure and understand how it applies to my position on the NMRE Board of Directors.

Signature

I have the following financial or other interests that represent a known or potential Conflict of Interest in performing my duties as a Member of the NMRE Board of Directors.

- I have no known or potential conflicts
- I have known or potential conflicts

If a known or potential conflict has been identified, please provide a description below:

Board Member Signature

Date

Board Chairperson Signature

Date

**NORTHERN MICHIGAN REGIONAL ENTITY
CONFLICT OF INTEREST ACKNOWLEDGEMENT FORM**

Name: _____ Date: _____

I have received the NMRE Conflict of Interest Policy. I have read the Northern Michigan Regional Entity Conflict of Interest Policy and understand how it applies to my position as a direct or leased employee of the NMRE.

Signature

I have received the NMRE Conflict of Interest Procedure. I have read the Northern Michigan Regional Entity Conflict of Interest Procedure and understand how it applies to my position as a direct or leased employee of the NMRE.

Signature

I have the following financial or other interests that represent a known or potential Conflict of Interest in performing my duties as a direct or leased employee of the NMRE.

I have no known or potential conflicts

I have known or potential conflicts

If a known or potential conflict has been identified, please provide a description below:

NMRE Staff Member Signature

Date

NMRE CEO Signature

Date