

# **CONFLICT OF INTEREST POLICY AND DISCLOSURE OF CERTAIN INTERESTS**

## **Scalpel At The Cross Board of Directors**

1. **Purpose.** The purpose of this Conflict of Interest policy is to help directors, officers and employees of Scalpel At The Cross (“Scalpel At The Cross” or “the Corporation”) identify situations that present potential conflicts of interest and to protect and provide the Corporation with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to a transaction or a perceived or actual prohibited private inurement or benefit. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit, tax-exempt entities.

### **2. Conflict of Interest Defined.**

#### **2.1 Outside Interests.**

2.1.1 A Contract or Transaction between the Corporation and a Responsible Person or Family Member.

2.1.2 A Contract or Transaction between the Corporation and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

#### **2.2 Outside Activities.**

2.2.1 A Responsible Person competing with the Corporation in the rendering of services or in any other Contract or Transaction with a third party.

2.2.2 Responsible Persons having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with the Corporation in the provision of services or in any other Contract or Transaction with a third party.

2.3 Gifts, Gratuities, and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:

2.3.1 does or is seeking to do business with or is a competitor of the Corporation; or

2.3.2 has received, is receiving or is seeking to receive an investment or grant, or to secure other financial commitments from the Corporation.

2.3.3 under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the Corporation.

### **3. Definitions.**

3.1 A “Conflict of Interest” is any circumstance described in Part 2 of this Policy.

3.2 A “Responsible Person” is any person serving as an officer, employee, independent contractor, or member of the Board of Directors of Scalpel At The Cross.

3.3 A “Family Member” is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

3.4 A “Material Financial Interest” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonable could affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.

3.5 A “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of an investment or grant, the establishment of any other type of pecuniary relationship, or review of an organization by the Corporation. The making of a gift to the Corporation is not a Contract or Transaction.

#### **4. Procedures.**

4.1 Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, an employee, independent contractor, director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest.

4.2 An employee, independent contractor, director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the Chair of the meeting all facts material to the Conflict of Interest. The Chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting as provided in Section 9.

4.3 A person who has a Conflict of Interest shall not participate in or be permitted to hear the board’s or committee’s discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

4.4 A person who has a Conflict of Interest with respect to a contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of the Corporation has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.

4.5 Responsible Persons with a Material Financial Interest in a business or activity that desires to offer services to the Corporation members must disclose such interest and relationship to the Board of Directors. Such Responsible Persons shall not be able to take action or engage in activities that use their position as Responsible Persons to any advantage over any other business engaging with the Corporation.

4.6 Responsible Persons who are not members of the Board of Directors of the Corporation, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action shall disclose to the Chair or the Chair’s designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect the Corporation’s participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair’s designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

5. **Confidentiality.** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be

adverse to the interest of the Corporation. Furthermore, a Responsible Person shall not disclose or use information relating to the business of the Corporation for the personal profit or advantage of the Responsible Person or a Family Member.

## **6. Review of Policy.**

6.1 Each new Responsible Person shall be required to review a copy of this policy at the time of its adoption and at the beginning of each term of office and to acknowledge in writing that he or she has done so as further provided in Section 9.

6.2 Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of or relationship with a business that might provide goods or services to the Corporation. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available to the Chair, the President, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

6.3 This policy shall be subject to review by the Board of Directors. Any changes to the policy adopted by the Board of Directors shall be communicated immediately to all Responsible Persons.

## **7. Failure to Disclose under this Conflicts of Interest Policy.**

7.1 If the 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 an opportunity to explain the alleged failure to disclose.

7.2 If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate action, including:

7.2.1 Approving of the transaction or arrangement after reasonable investigation and consideration, that the Corporation could not have obtained a more advantageous arrangement, with reasonable effort under the circumstances, and the transaction furthered the Corporation's best interests.

7.2.2 Voiding the transaction or arrangement after reasonable investigation and consideration, that the Corporation could have obtained a more advantageous arrangement, with reasonable effort under the circumstances, and/or the transaction does not further the Corporation's best interests.

7.2.3 Taking appropriate disciplinary and corrective action with the Director failing to disclose.

**8. Records of Proceedings.** The minutes of meetings of the board and any committee with board delegated powers shall contain:

8.1 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 board's or committee's decision as to whether a conflict of interest in fact existed.

8.2 The names of the persons who were present for discussions and votes relating to the

transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, analysis of market comparability, and a record of any votes taken in connection therewith.

**9. Director Affirmation Statement.** Upon election or re-election, each director, officer, and a member of a committee with board delegated powers shall sign a statement which affirms that such person:

- has received a copy of the Conflicts of Interest Policy;
- has read and understands the policy;
- has agreed to comply with the policy; and
- understands that Scalpel At The Cross is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Adopted by requisite vote of directors at a duly called meeting on 9/22/2023.



\_\_\_\_\_  
Officer

9/22/2023

\_\_\_\_\_  
Date

**ANNUAL DISCLOSURE STATEMENT | CONFLICT OF INTEREST POLICY  
SCALPEL AT THE CROSS**

NAME \_\_\_\_\_

HOME ADDRESS \_\_\_\_\_

POSITION WITH ORGANIZATION \_\_\_\_\_

List all organizations (both profit and non-profit) in which you or an immediate family member currently are or have been a board member, officer, or employee during the three years prior to the present day.

**Name of Organization(s)**

**Position Held/By Whom**

_____	_____
_____	_____
_____	_____
_____	_____

This questionnaire should be completed after a careful reading of the Conflict of Interest Policy of Scalpel At The Cross dated 9/22/2023, which affirms the board expectation that each board member should not disclose information - unless it is already known by the public or is of public record - to unauthorized individuals, entities, or processes if it would harm the Scalpel At The Cross organization, its business relationships, or an individual board member.

**\*\*\* AFFIRMATION \*\*\***

I, the undersigned, have read the Conflict of Interest Policy of Scalpel At The Cross dated 9/22/2023. I understand this Policy's provisions and I hereby affirm that to the best of my knowledge during the period indicated above I have not been in a position of possible conflict of interest, except as indicated below:

- Duality of interests involving a position of director, officer, or employee of other organizations.  
Yes \_\_\_\_\_ No \_\_\_\_\_
- Holding a financial interest in or receiving any personal benefit, either directly or indirectly, from an individual or business furnishing services, materials, or supplies to Scalpel At The Cross.  
Yes \_\_\_\_\_ No \_\_\_\_\_
- Seeking staff assistance or the use of Scalpel At The Cross' property or facilities to an extent greater than that available to the general public in similar circumstances or with similar needs.  
Yes \_\_\_\_\_ No \_\_\_\_\_
- Using privileged information received while serving Scalpel At The Cross.  
Yes \_\_\_\_\_ No \_\_\_\_\_
- Other violations of the Duty of Care and Duty of Loyalty.  
Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer to any of the above questions is "yes", please attach an explanation.

I further agree to answer any questions that the Board of Directors may have with respect to any actual or potential conflicts of interest.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature