



## **Conflict of Interest Policy and Procedure**

### **1.0 DEFINITIONS**

**AHIMA** - The American Health Information Management Association, as incorporated in the State of Illinois, and its Affiliates.

**Affiliate** - The Commission on Accreditation for Health Informatics and Information Management Education (“CAHIIM”), the AHIMA Foundation, the Component State Associations (“CSAs”), and other entities controlled by, or under common control with, AHIMA.

**Commissioner** - Any individual appointed or elected Commissioner who oversees and conducts the work of CAHIIM.

**Designated Agent** – Any individual providing services to AHIMA or an Affiliate, and who has been named a “Designated Agent” by AHIMA or an Affiliate.

**Director** – An elected individual who serves on the Board of Directors of AHIMA or, at the request of AHIMA, of its Affiliates, with or without compensation.

**Duality of Interest** – A person has a duality of interest if the person, directly or indirectly or through a Family Member, serves in a substantial leadership role with another organization whose interests may be adverse to, in conflict with, or in competition with those of AHIMA or an Affiliate. A substantial leadership role would include serving as an employee of or on a governing body or advisory body to the organization or having a prominent public connection with the organization. A duality of interest is not necessarily a conflict of interest. In some cases, it may be to the advantage of AHIMA or an Affiliate for a director to have a substantial leadership role with another organization. As is described herein, a person who has a dual interest may be determined to have an actual conflict of interest only if the appropriate board or committee or disinterested director decides that a conflict of interest does exist.

**Employee** - Any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has status of an employee of AHIMA, and any other individual who is treated as an employee of AHIMA for federal employment tax purposes.

**Family Member** - Child, parent, sibling, spouse, documented domestic partner, grandparents, in-laws (brother, sister, father, and mother), and the spouses or documented domestic partners thereof.

**Financial Interest** – A person has a financial interest if the person has, directly or indirectly, through business, investment, or Family Members:

- a. An ownership or investment interest in any entity with which AHIMA or its Affiliates has a transaction or arrangement,
- b. A compensation arrangement with AHIMA or its Affiliates or with any entity or individual with which AHIMA or its Affiliates has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AHIMA or its Affiliates is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A financial interest is not necessarily a conflict of interest. Under Section 6.2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

**Material Change** - Any change to the current information identified by an individual and contained within the document below would constitute a material change. The individual must resubmit the conflict of interest form based on the newly identified information.

**Officer** – Any elected individual who holds an elected officer position within AHIMA or, at the request of AHIMA, its Affiliates, with or without compensation.

**Volunteer** – An individual who serves AHIMA or its Affiliates without compensation. A person does not lose his status as a Volunteer due to reimbursement of expenses and/or any liability insurance coverage for acts performed on behalf of AHIMA or its Affiliates

## **2.0 PURPOSE**

The purpose of this Conflict of Interest Policy (“Policy”) is to protect the interests of AHIMA and its Affiliates when an Interested Person, as defined below, is contemplating entering into a transaction or arrangement that might benefit such person’s private interest.

Additionally, among the purposes served by this policy/procedure is the intended compliance with the provisions of Internal Revenue Code §4958, referred to as the “intermediate sanctions” rules. It shall be the policy of AHIMA, wherever any arrangement is entered into with a person or persons who are “insiders” or who would be classified as “disqualified persons” under Internal Revenue Code §4958 and the regulations promulgated pursuant thereto, to require that the arrangement be brought before the Board of Directors for consideration (which may follow a consideration by a board committee if desired). In considering the arrangement, the Board of Directors shall take into consideration all appropriate

comparability data and other factors provided by law. The person or persons identified as disqualified persons may participate in discussion, but shall leave the meeting for final discussion and vote on the matter and shall not vote on the issue. It is intended that this process and the information considered by and retained by the Board of Directors in its files shall qualify for the rebuttable presumption of reasonableness in each such arrangement, which is approved.

### **3.0 INTERESTED PERSONS**

Interested Persons include: any current Officer, Director, Commissioner, Volunteer, Employee, and Designated Agent of AHIMA or an Affiliate, and any former Officer, Director, Volunteer, Employee or Designated Agent of either AHIMA or, at AHIMA's request, an Affiliate, who remains a member of the external organization with which they are presently affiliated.

### **4.0 AUTHORITY**

This Policy is intended to supplement, but not replace any applicable federal and/or state law governing conflicts of interest applicable to nonprofit and tax-exempt organizations. This Policy is intended to comply with the procedure proscribed in the Illinois General Not for Profit Corporation Act, 805 ILCS 105/108.60, the Internal Revenue Service (IRS) guidelines, and AHIMA's governing documents.

### **5.0 POLICY & PROCEDURE**

Interested Persons must act with objectivity, independence and at all times in the best interest of AHIMA and its Affiliates, both during the period in which they hold their respective positions and after such period, so long as they remain members of AHIMA.

Conflicts of interest may exist when an Interested Person:

- Is contemplating entering into, has entered into or will enter into a transaction or arrangement that might benefit the interest of an Interested Person and may be adverse to the interests of AHIMA or its Affiliates;
- Has, or may have, a Duality of Interest that adversely effects, or may effect, AHIMA or its Affiliates;
- Is, or may be, acting, or is reasonably be perceived to be acting, contrary to the best interest of AHIMA; or
- Is committing, or may commit, AHIMA to a course of action that would violate its prior agreement(s) with another individual or organization.

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her Financial Interest and all material facts to the Directors and members of

committees with board delegated powers considering the proposed transaction or arrangement. An Interested Person must make such a disclosure by submitting a Conflict of Interest Disclosure Form.

## **5.1 CONFLICT OF INTEREST**

A conflict of interest involves any Interested Person who is in a position of authority or influence and may have a Financial Interest, or may otherwise benefit from a decision made in the course of his or her duties at AHIMA or an Affiliate.

A Conflict of Interest is:

- Any circumstance that compromises, may compromise, or may reasonably be perceived to compromise the ability of an Interested Person to act or to make decisions in the best interests of AHIMA and/or its Affiliates to the benefit themselves or a Family Member.
- Any circumstance in which a current or former Interested Person, while still a member of AHIMA or an Affiliate, acts contrary to the best interests of AHIMA or its Affiliates to benefit him or herself or a Family Member.

## **6.0 CONFLICT OF INTEREST PROCEDURES**

### **6.1 PROCEDURE FOR DISCLOSURE**

Each Interested Person shall annually sign a statement that affirms that such individual:

- a. has received a copy of this Policy,
- b. has read and understands this Policy, and
- c. has agreed to comply with this Policy.

AHIMA further requires Interested Persons to promptly submit an amended Conflict of Interest Statement of Disclosure to reflect any material changes or additions to the submitted information that may arise during the course of the year. Interested Persons are encouraged to err on the side of disclosure and to report any set of circumstances that may appear to pose a conflict of interest, even if there is uncertainty as to whether such circumstances should be disclosed. Disclosures shall be in writing and shall be delivered to the CEO of AHIMA or its Affiliate, as applicable. All disclosures shall be announced at the next meeting of the applicable Board of Directors, shall be noted summarily in the minutes of the meeting and, where thought to be only apparent or possible, shall be so identified. Copies of disclosures shall also be forwarded, where applicable, by the CEO to the chair of the Board governance committee.

The annual Conflict of Interest Statement of Disclosure shall be submitted by each Interested Person and will be retained in the AHIMA Executive Office and/or Human Resources Office.

## 6.2 COMPENSATION

A voting member of the Board of Directors who receives compensation, directly or indirectly, from AHIMA or an Affiliate for services is precluded from voting on matters pertaining to that Director's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AHIMA or an Affiliate for services is precluded from voting on matters pertaining to that member's compensation.

## 6.3 PROCEDURE FOR IDENTIFYING AND ADJUDICATING CONFLICTS AND POTENTIAL CONFLICTS

The Governance Committee of AHIMA's Board of Directors, or its designee, will review each submitted Conflict of Interest Disclosure Form for any set of facts or circumstances that may reflect an actual, potential, or perceived conflict of interest. The Board Governance Committee may request additional information at any time. The Board Governance Committee may also receive information about Conflicts of Interests from other sources and may request the assistance of third-party counsel to identify the best course of action in determining and dealing with actionable information.

No individual whose relationships or activities are under review may participate in deliberations, debate, or any vote pertaining to a disclosed relationship while such review is pending.

If the Governance Committee determines that a particular transaction or relationship constitutes an actual, potential or perceived conflict of interest, it will be resolved in one of the following ways:

- 1) Waive the actual, potential or perceived conflict as unlikely to affect the Interested Person's ability to act in the best interests of the organization and require no action on the part of the individual;
- 2) Determine that the Interested Person is recused from all deliberations and decision-making related to the particular transaction or relationships that give rise to the actual, potential or perceived conflict. This resolution should apply particularly when the transaction or relationship is one that presents a *de minimus* conflict or potential conflict.
- 3) Require the Interested Person to resign from service and/or membership in AHIMA or its Affiliates because the actual, potential or perceived conflict is highly significant or pervasive; if the Interested Person does not voluntarily resign, the individual shall be removed from his or her position and/or from membership.
- 4) The special procedure below is applicable to all instances in which an Interested Person (or entity in which an Interested Person or his or her Family Member has a Financial Interest or other interest) seeks to provide or is solicited to provide goods or services to AHIMA or its Affiliates as a paid contractor or vendor, or seeks to receive a grant or contract from AHIMA or its Affiliates. This procedure shall not apply to pre-existing

relationships with Interested Persons whose conflicts have been disclosed to and waived by the Board Governance Committee.

a. The individual must disclose to the Board Governance Committee the intent to seek to provide goods or services as a paid contractor or vendor, or to receive a grant or contract, in advance of acting on such intent. The Interested Person shall provide all requested information to the Board Governance Committee.

b. The Interested Person must refrain from participating in any deliberations and decision-making related to the contemplated action.

c. In the case of grants or contracts for services, if the value of the transaction exceeds \$5,000.00, AHIMA, through a request for proposal process, must have solicited proposals from other qualified vendors/prospective grant or contract recipients and receive (or attempt to receive) written bids from at least three such individuals/entities.

d. In the case of contracts for delivery of subject matter content that will be used in the development of products sold by AHIMA, there is no requirement for competitive bidding (however, all other aspects of this special procedure apply).

e. The Board Governance Committee must determine (without the presence or participation of the Interested Person) that the transaction is fair and in the best interests of AHIMA based on all facts and circumstances, and such determination (including the fact that it was made in the absence of the Interested Person) shall be documented as part of the relevant meeting minutes. All competing bids received shall be retained in the records of AHIMA for at least five (5) years.

f. If selected, the Interested Person may not participate in any process by which his or her performance as a vendor, grant or contract recipient is evaluated or reviewed.

#### **6.4 RECORDS OF PROCEEDINGS**

The minutes of the Board of Directors and all committees thereof shall contain:

1. The names of the Interested Persons who disclosed or otherwise were found to have a Financial Interest or other interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest or other interest, any action taken to determine whether a conflict of interest was present, and the Board of Director's or committee's decision as to whether a conflict of interest in fact was deemed to exist.

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, and a record of any votes taken in connection therewith.