



CONFLICT OF INTEREST AND DISCLOSURE STATEMENT

CONFLICT OF INTEREST

The Foundation's Board of Directors, officers and staff, as well as members of various organizational entities such as commissions, committees and task forces deal with a variety of issues which may have far-reaching implications. The Foundation is well served by the fact that many of those involved in policy development and implementation have diverse interests and are involved in a number of activities outside this organization. This interest and involvement enhance the expertise which these individuals bring to the various roles which they fill in representing the Foundation.

On occasion, situations may exist in which an individual serving the Foundation in an elected or appointed position, or as an employee, has some outside interest which would constitute a conflict of interest or which could be perceived as constituting a conflict of interest. Generally, a conflict of interest could be said to exist when individuals have material interests outside the Foundation which could influence them or could be perceived as influencing them to act contrary to the interests of the Foundation and for their own personal benefit or the benefit of a family member or business associate.

Most often, the type of interest resulting in a conflict would be financial such as, for example, when an individual has an association with a third party through receipt of a research or other type grant or stipend, an ownership interest, an employment relationship, or a consultative or advisory arrangement. However, in some situations a conflict of interest may exist even though the conflict does not arise out of financial considerations. For example, a member of the Foundation's Board of Directors may have a fiduciary responsibility as a member of the Board of Directors of some other organization. If the interests of that organization were contrary to the interests of the Foundation, a situation could exist in which the individual could not fulfill his or her fiduciary responsibilities to both organizations. A conflict of interest would exist, even though it might not be related to personal financial gain.

DISCLOSURE STATEMENT

A key element in avoiding an actual or a perceived conflict of interest is to ensure that a system is in place under which those serving the Foundation provide full disclosure of any potential conflicts. Accordingly, the Foundation has developed a disclosure form which is to be completed by officers, Board members, those appointed to serve on commissions, committees, task forces and other similar entities and senior members of the staff including division directors, vice presidents and executive vice president. Other staff members, vendors or contractors may be required to complete the form upon the request of the executive vice president.

Foundation members elected or appointed to serve the organization will be requested to complete this disclosure form each time they are appointed or elected to a new term. Those members of the staff required to complete the form will be asked to do so annually. Additionally, all of those completing the form are expected to notify the Foundation's executive vice president in writing if a potential conflict of interest arises which has not previously been noted on the current disclosure form.

IF A CONFLICT OF INTEREST EXISTS

When an individual is acting for the Foundation and does have an acknowledged conflict of interest because of the subject under consideration, that individual may participate in discussions on the subject but will be expected to refrain from voting on it. In most situations, no further action will be required. However, in some instances, the nature of the conflict of interest may be so substantial that the individual will be asked to discontinue the non-Foundation activity resulting in the conflict or relinquish his or her position with the Foundation.

Situations may arise in which one or more members of a deliberative body (such as a committee) believe that someone has a conflict of interest but the person perceived as having the conflict does not agree. In order to address this situation the WAFP-Foundation Board of Directors has adopted the following policy:

“When the question of a conflict exists, it will be fully discussed with each side given the opportunity to state why they believe a conflict does or does not exist, but with the final decision on whether the individual should vote left to the judgment of that individual.”

In some isolated cases, it may occur that a substantial conflict of interest exists and the involved individual refuses to take the necessary steps to resolve the conflict or that an individual appears to be acting in bad faith by repeatedly refusing to acknowledge that a conflict exists. If the individual is a Board member or officer, Section 10 of Chapter XIV of the WAFP-Foundation Bylaws sets forth the mechanism for removal from office by action of the Board of Directors. Since members of commissions, committees, task forces, etc. serve at the will of the Board of Directors, they too would be subject to removal by the Board. Employees who have a substantial conflict of interest and refuse to take the necessary action to resolve the conflict are subject to termination of employment.

It again must be emphasized that WAFP-Foundation policy on conflict of interest and the required disclosure form are not intended to dissuade qualified candidates from Foundation service. Indeed, each individual's special interests and involvements can enhance his or her ability to better serve the organization. In many instances, those interests and involvements clearly do not constitute a potential or actual conflict of interest. However, when the potential for a conflict of interests exists, it is appropriate that the relevant facts be fully disclosed.