

<b>Institute for Medical Research, Inc.</b>	<b>Conflict of Interest</b>	No.	104
		Effective Date	4/14/09
		Revision Date	3/15/10
		Final Approval	Approved by IMR Board of Directors: 3/15/10

**Purpose**

To establish IMR’s policy regarding conflict of interest.

**Scope**

All IMR Employees, and Investigators and IMR Board of Directors

**Policy**

This policy is intended to supplement, but not replace, federal and state laws governing conflicts of interest applicable to nonprofit corporations (NPCs). It applies to board members, investigators and staff with significant decision-making authority. Persons covered under this policy, as well as their relatives and associates, are hereinafter referred to as “interested parties.”

**Conflict of Interest**

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of NPC. There are a variety of situations that raise conflict of interest concerns including, but not limited to, the following:

- A. Financial Interests** – A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by NPC. Examples include situations where:
- NPC contracts to purchase or lease goods, services, or properties from an interested party.
  - NPC offers employment to an interested party, other than a person who is already employed by NPC.
  - An interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with NPC.
  - An interested party is gratuitously provided use of the facilities, property or services of NPC.
  - NPC adopts a policy that financially benefits an interested party.

A financial interest is not necessarily a conflict of interest. A financial conflict of interest exists only when the board decides a person with a financial interest has a conflict of interest.

**B. Other Interests** – A conflict also may exist where an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with NPC. Examples include where:

- An interested party seeks to obtain preferential treatment by NPC or recognition for himself/herself or another interested party.
- An interested party seeks to make use of confidential information obtained from NPC for his/her own benefit (not necessarily financial) or for the benefit of another interested party.
- An interested party seeks to take advantage of an opportunity or enables another interested person or other organization to take advantage of an opportunity that he/she has reason to believe would be of interest to NPC.
- NPC adopts a policy that provides a significant non-financial benefit to an interested party.

A conflict of interest exists only when the Board of Directors decides there is a conflict.

### **Disclosure of Potential Conflicts of Interest**

An interested party is under a continuing obligation to disclose any potential conflict of interest as soon as it is known or reasonably should be known. Board members, employees and investigators will complete conflict of interest forms on an annual basis.

An interested party shall complete the Questionnaire attached as Appendix A to fully and completely disclose the material facts about any potential conflicts of interest. The disclosure statement and Affirmation of Compliance (Appendix B) shall be submitted upon his/her association with NPC, and annually thereafter. An additional disclosure statement shall be filed whenever a potential conflict arises.

Disclosure statements will be submitted as follows: For Board members, the disclosure statements shall be provided to the Chair of the Board. The Chair's disclosure statement shall be provided to the Secretary of the Board or its equivalent. Copies also shall be provided to the Executive Director of NPC.

In the case of staff with significant decision-making authority, the disclosure statements shall be provided to the Executive Director of NPC. In the case of the Executive Director, the disclosure statement shall be provided to the Chair of the Board.

In all cases, the recipient is the designated reviewing official responsible for bringing potential conflicts to the attention of the appropriate authorities. The Secretary of the Board of Directors shall file copies of all disclosure statements with the official corporate records of NPC.

### **Procedures for Review of Potential Conflicts**

Whenever there is reason to believe that a potential conflict of interest exists between NPC and a Board member or the Executive Director, the Board of Directors shall determine the appropriate response. This shall include, but not necessarily be limited to, invoking the procedures described below with respect to a specific proposed action, policy or transaction. The designated reviewing official has a responsibility to bring a potential conflict of interest

to the attention of the Board promptly for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest.

Where the potential conflict involves an employee of NPC other than the Executive Director, the Executive Director shall be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of NPC. The Executive Director shall report to the Chair the results of any review and the action taken. The Chair shall determine whether any further board review or action is required.

### **Procedures for Addressing Conflicts of Interest**

Where a potential conflict exists between the interests of NPC and an interested party with respect to a specific proposed action, policy or transaction, the Board of Directors shall consider the matter during a meeting of the Board. NPC shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the Board of Directors of NPC. The following procedures shall apply:

An interested party who has a potential conflict of interest with respect to a proposed action, policy or transaction of the corporation shall not participate in any way in, or be present during the deliberations and decision-making vote of NPC with respect to such action, policy or transaction. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the Board may request that the interested party be available to answer questions.

- The disinterested members of the Board of Directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of NPC. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to NPC and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the Board of Directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made to the board, the vote taken and, where applicable, the abstention from voting and participation by the interested party. Whenever possible, the minutes should frame the decision of the Board in such a way that it provides guidance for consideration of future conflict of interest situations.

### **Violations of Conflict of Interest Policy**

If the Board of Directors has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the Board decides that the interested party has in fact failed to disclose a possible conflict of interest, the Board shall take such disciplinary and corrective action as the board shall determine.

**Appendix A**  
**Institute for Medical Research, Inc.**  
**Conflict of Interest**  
**Disclosure Questionnaire**

Please complete the questionnaire below, indicating any potential conflicts of interest. If you answer “yes” to any of the questions, please provide a written description of the details of the specific action, policy or transaction in the space allowed. Attach additional sheets as needed.

**Financial Interests** – A conflict may exist where an interested party, directly or indirectly benefits or profits as a result of a decision, policy or transaction made by the Institute for Medical Research, Inc..

During the past 12 months (for each yes response, please describe on a separate page.):

- |   |           |
|---|-----------|
| 1. Has the Institute for Medical Research, Inc. proposed to contract or contracted to purchase or lease goods, services, or property from you or from any of your relatives or associates?  | YES<br>NO |
| 2. Has the Institute for Medical Research, Inc. offered employment to you (not applicable to existing staff) or to any of your relatives or associates?   | YES<br>NO |
| 3. Have you, or any of your relatives or associates, been provided with a gift, gratuity or favor of a substantial nature from a person or entity that does business or seeks to do business with the Institute for Medical Research, Inc.? | YES<br>NO |
| 4. Have you or any of your relatives or associates been gratuitously provided use of the facilities, property, or services of the Institute for Medical Research, Inc.  | YES<br>NO |
| 5. Are you, a relative or an associate in a position to benefit financially from an action, policy or transaction made by the Institute for Medical Research, Inc.  | YES<br>NO |

**Other Interests** – A conflict may also exist where an interested party obtains a non-financial benefit or-advantage that he/she would not have obtained absent his/her relationship with the Institute for Medical Research, Inc., or where his/her duty or responsibility owed to the Institute for Medical Research, Inc. conflicts with a duty or responsibility owed to some other organization.

Please indicate if at anytime during the past twelve months (for each yes response, please describe on a separate page.):

- |  |           |
|--|-----------|
| 1. Did you obtain preferential treatment, promotion, recognition or a non-salaried appointment as a consequence of your association with the Institute for Medical Research, Inc. for yourself or for any of your relatives or associates? | YES<br>NO |
| 2. Did you make use of confidential information obtained from the Institute for Medical Research for your own benefit or for the benefit of a relative, associate, or other organization?  | YES<br>NO |

3. Did you take advantage of an opportunity or enable a relative, associate or other organization to take advantage of an opportunity that you had reason to believe would be of interest to the Institute for Medical Research, Inc.?
- YES  
NO
4. Are you, a relative or an associate in a position to benefit in a nonfinancial way from an action, policy or transaction made by the Institute for Medical Research, Inc.?
- YES  
NO

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Name

Signature

Date

**Appendix B**

**Institute for Medical Research**

**Conflict of Interest**

**Affirmation of Compliance**

I have received and carefully read the Conflict of Interest Policy of the Institute for Medical Research, Inc. and have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that Institute for Medical Research, Inc. is a nonprofit organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes without personal benefit (other than by salary) by Board members or staff.

Except as otherwise indicated in the Disclosure Questionnaire and attachments below, I hereby state that I do not have any conflict of interest, financial or otherwise that may be seen as competing with the interests of the Institute for Medical Research, Inc., nor does any relative or associate have such a potential conflict of interest. Nor shall I, any relative or associate benefit from any action, policy or transaction made by the Institute for Medical Research, Inc. in a manner that has not been previously disclosed.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose in writing the circumstances to the Chair of the Board of Directors of the Institute for Medical Research, Inc. or to the Executive Director, as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information and belief.

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Name (Please print)

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Signature

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Date