



POLICY ON CONFLICTS OF INTEREST

I. General Statement of Policy

This Policy is applicable to all of the Kansas Health Foundation (“KHF”) members of the Board of Directors, committee members, officers, and employees (“Covered Persons”). Covered Persons must, in connection with their service in such capacities, exercise particular care that no detriment to the interests of KHF or appearance of such detriment, may result from a conflict between KHF’s interests and the individual interests of the Covered Person.

Beyond traditional conflicts of interest, KHF recognizes that divided loyalties may also arise from time to time in grantmaking organizations when knowledgeable persons with broad experience in relevant areas serve as Covered Persons. KHF’s policy is for all such persons to always keep KHF’s reputation, integrity, and mission at the forefront. Covered Persons are encouraged to take additional actions beyond those specified in this Policy to address situations where there are divided loyalties and the strict language of this Policy does not seem adequate to achieve its goals. Avoiding even the appearance of bias or impropriety should be the test a Covered Person uses to govern his or her conduct beyond the rules of this Policy.

A conflict of interest can arise whenever a Covered Person or a member of his or her family: (1) has an existing or potential interest which impairs or might appear to impair his or her independent judgment in the discharge of the Covered Person’s responsibilities to KHF, or (2) may receive a material benefit from knowledge of information which is confidential to KHF. The “**family**” of an individual includes only his or her (i) spouse, (ii) ancestors, (iii) siblings (whether whole or half-blood), (iv) children (whether natural or adopted), (v) grandchildren, (vi) great-grandchildren, and (vii) the spouses of the persons listed in items (iii) through (vi).

It is sometimes difficult to define what might be considered a potential conflict, and Covered Persons are encouraged to err on the side of disclosure. The following examples of potential conflicts of interest should be considered:

1. Official relationships¹ with any person or organization with whom KHF is considering entering into a financial transaction, whether in the form of a loan, grant, investment, contribution, purchase, sale, or otherwise.
2. Family relationships with employees of KHF.
3. Any situation where a Covered Person, or a family member, could receive any material economic benefit directly or indirectly on account of a transaction with KHF.

¹ In this context, “official relationship” means serving as an officer, director, employee, partner, proprietor, or owner of 10% or more of the interest of an entity which does business with KHF.

II. Procedure for Disclosing and Resolving Potential Conflicts

If a Covered Person believes that he or she may have a conflict of interest with respect to any particular transaction, he or she shall promptly and fully disclose the potential conflict as provided below. Likewise, any Covered Person who is aware of a conflict or potential conflict shall promptly and fully disclose it to the President.

- A. Director Matters. If the Covered Person is a director or member of a Board committee, disclosure shall be made to the President and Board Chairperson. If the President and the Chairperson determine that there is a potential conflict, then the conflict shall be reported to the full Board, and the affected person shall answer any questions about the matter that the Board may have. If the particular transaction requires a vote of the Board, or of one of its committees, the affected person shall be counted for purposes of a quorum, but he or she shall not vote on the matter and shall not be present for the discussion or vote on the matter. The minutes of such meeting shall reflect the fact that the affected person did not vote on the matter and was not present for the discussion or vote on the matter.
- B. Employee Matters. If the Covered Person is an employee of KHF, disclosure shall be made to the President, who shall promptly inform the Chairperson. If either the President or the Chairperson determines that there is a potential conflict concerning a particular transaction with respect to an employee of KHF, they shall exercise their best judgment about the appropriate course to follow, which may include:
- 1) the joint approval of the transaction by the President and Chairperson despite the conflict if they are reasonably certain that the interests of KHF will be served thereby, or
 - 2) referral of the issue to legal counsel for advice, or
 - 3) referral of the issue to the appropriate committee of the Board or to the full Board for decision.

However, in all cases where either the President or the Chairperson determines that there is in fact a conflict of interest concerning a particular transaction involving an employee of KHF, the full Board shall be notified of the resolution of the issue and the affected employee shall answer any questions about the matter that Board members may have.

- C. Determination of No Conflict. If both the President and the Chairperson of the Board determine that there is no conflict of interest with respect to a particular transaction involving a Covered Person, they need not notify the Board, but they shall keep a record of the decision which shall be available to Board members upon request.

- D. Potential Conflict of Either President or Chairperson. In any case in which the potential conflict with respect to a particular transaction involves either the President or the Chairperson, the affected person shall notify the other, and the conflict shall then be reported to the full Board, and the President or Chairperson, as the case may be, shall answer any questions about the matter that other Board members may have. If the particular transaction requires a vote of the Board, or one of its committees, the President or Chairperson, as the case may be, shall be counted for purposes of a quorum, but he or she shall not vote on the matter and shall not be present for the discussion or vote on the matter. The minutes shall reflect the fact that the President or Chairperson, as the case may be, did not vote on the matter and was not present for the discussion or vote on the matter.

III. Annual Statement Regarding Conflicts of Interest

Each Covered Person shall annually file a statement with the Secretary of the Corporation setting forth any conflicts of interest which exist, or which might reasonably be expected to exist, within the upcoming year. The statement shall disclose as fully as possible the nature of potential conflicts and the nature of the Covered Person's interest in the potential transactions. All of such statements shall be reviewed by the President and Chairperson in accordance with the procedures set forth above and may be circulated to members of the Board of Directors. Each Covered Person shall agree to answer any questions about potential conflicts that Board members may have.



ANNUAL CONFLICTS OF INTEREST DISCLOSURE STATEMENT

As a Covered Person with respect to Kansas Health Foundation (“KHF”), I state that to the best of my knowledge, directly or indirectly:

1. I do not have an Official Relationship as defined in the Policy on Conflicts of Interest (“Policy”) with any person or organization with whom KHF is considering entering into a financial transaction, whether in the form of a loan, grant, investment, contribution, purchase, sale, or otherwise;
2. I do not transact any business with KHF;
3. I do not loan money to, or borrow money from, KHF;
4. I do not receive benefits from KHF with an aggregate value over \$1,000 other than compensation that is directly related to my duties at KHF;
5. No member of my “family,” as defined in the Policy, is employed by KHF or engages in the activities described in items 1 through 4 above;
6. Neither I nor any family member of mine has a family relationship or business relationship with any Covered Person. “Business relationships” between two persons include the following:
 - A. One person is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, director, officer, key employee, or greater-than-35% owner.
 - B. One person is transacting business with the other (other than in the ordinary course of either party’s business on the same terms as are generally offered to the public), which directly or indirectly, involves transfers of cash or property valued in excess of \$10,000 in the aggregate during the organization’s tax year. “Indirect transactions” are transactions with an organization with which the one person is associated as a trustee, director, officer, key employee, or greater-than-35% owner.
 - C. The two persons are each a director, trustee, officer, or greater-than-10% owner in the same business or investment entity. “Ownership” is measured by stock ownership (either voting power or value) of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a nonprofit organization, or beneficial interest in a trust. Ownership includes indirect ownership (e.g., ownership in an entity that has ownership in the entity in question); there may be ownership through multiple tiers of entities.

7. List below any exceptions to the above statements. However, you are not required to list any transactions or relationships which have been specifically disclosed in the two year period preceding your execution of this Statement that were either i) determined not to constitute a conflict of interest, or ii) approved in accordance with the Policy, unless there has been a material change in the circumstances surrounding such transaction. Pursuant to the Policy, respondents are strongly encouraged to err on the side of disclosure.

I have read and understand the Policy, and I agree to comply with it. I agree that if any situations arise that suggest an actual or potential conflict of interest, I will immediately notify the Chairperson of the Board and President of such circumstances and make full disclosure thereof. I agree to answer any questions the Board may have, and to provide any additional information that the Board may request, with respect to the subject matter hereof.

Signature

Date