



Policy for:
Ethics and Conflict of Interest
For Officers And Directors

Policy/Document Number	
Effective Date	12/18/2014
Revision Date	
Drafted or Issued By: Fiscal	Date:
Approved By: Board of Directors	Date: 12/17/2014
Signature: <i>[Handwritten Signature]</i>	Board Secretary

ARTICLE 1- PURPOSE

The Louisiana Cancer Research Center (“LCRC”) is a private non-profit corporation and a tax exempt entity classified by the Internal Revenue service as a 501 (c)(3) organization. The LCRC was created following the enactment of LA R.S. 17:1921 et seq. LCRC is governed by a Board of Directors formed in accordance with LA R.S. 17:1923. The purpose of this ethics and conflict of interest policy is to protect the LCRC interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a LCRC officer or director or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing ethics and conflict of interest applicable to nonprofit and charitable organizations, including without limitations, the actions proscribed in Louisiana Revised Statute 42:1111, *et seq.*

ARTICLE 2- DEFINITIONS

2.1. Interested Person

Any member of the Board of Directors, principal officer or member of a committee appointed by the Board of Directors, who has a direct or indirect financial interest, or LCRC employee as defined below, is an interested person.

2.2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

2.2.1. An ownership or investment interest in any entity with which LCRC has a transaction or arrangement,

2.2.2. A compensation arrangement with LCRC or with any entity or individual with which LCRC has a transaction or arrangement, or

2.2.3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which LCRC is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. As defined in Article 3 below, a person who has a financial interest may have a conflict of interest only if the Board of Directors or an appointed committee by the Board of Directors decides that a conflict of interest exists.

ARTICLE 3- PROCEDURES

3.1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

3.2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3.3. Procedures for Addressing the Conflict of Interest

3.3.1. An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

3.3.2. The Chair of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3.3.3. After exercising due diligence, the Board of Directors or committee shall determine whether LCRC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

3.3.4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested members of the Board or committee whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

3.3.5. Any Director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3.4. Violations of the Conflicts of Interest Policy

3.4.1. If the Board of Directors or committee has reasonable cause to believe 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. 3

3.4.2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE 4-RECORDS OF PROCEEDINGS

The minutes of the Board of Directors and all committees with board delegated powers shall contain:

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

4.2. 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 with the proceedings.

ARTICLE 5- COMPENSATION

5.1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from LCRC for services is precluded from voting on matters pertaining to that member's compensation.

5.2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from LCRC for services is precluded from voting on matters pertaining to that member's compensation.

5.3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from LCRC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE 6- ETHICAL CONDUCT

LCRC's Directors and Officers shall at all times be in compliance with the Louisiana Code of Ethics, LSA RS 42:1111, et seq., including without limitation these supplemental provisions:

6.1. Directors shall avoid at all times engaging in activities that would appear to be unduly influenced by other persons who have a special interest in matters under consideration by the Board. If this occurs, a Director shall write a letter disclosing all known facts prior to participating in a Board discussion of these matters and the Director's interest in the matter will be reflected in the Board minutes.

6.2. Directors shall make all appropriate financial disclosures whenever a grievance of conflict of interest is lodged against them.

6.3. Directors confirm their understanding that LCRC is a charitable not-for profit educational organization and that it will assure that LCRC maintain its federal tax exemption and engage primarily in activities that accomplish one or more of its tax-exempt purposes.

6.4. Each LCRC board member is required to file a "Personal Financial Disclosure" statement "Tier 2.1" in accordance with L.A. R.S. 42:1124.2.1. Board Members are required to file annual disclosure statements by May 15th annually and directly with the State of Louisiana

ARTICLE 7 - PERIODIC REVIEWS

To ensure the LCRC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

7.1 Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

7.2 Whether partnerships, joint ventures, and arrangements with management organizations conform to the LCRC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in impermissible private benefit or in an excess benefit transaction.

ARTICLE 8 - USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article 7, LCRC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE 9 – ANNUAL STATEMENTS

Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

- Has received a copy of the conflict of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy,

DISCLOSURE STATEMENT

I, _____, have read the above and foregoing Conflict of Interest Policy of Louisiana Cancer Research Center, and submit the following:

_____ I am not aware of any potential conflicts of interest.

_____ The following areas represent potential conflicts of interest:

Signature: _____

Printed Name: _____

Date: _____