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NEW YORK STATE COUNCIL OF HEALTH-SYSTEM PHARMACISTS POLICY ON DISCLOSURE OF OUTSIDE INTERESTS

New York State Council of Health-system Pharmacist (NYSCHP) is a non-stock corporation governed by New York General Corporate Law. The New York State statute addresses the legal expectations placed on Boards of Directors. The Directors and other designated representatives who are deemed to act as official representatives of NYSCHP, are responsible for the direction of the business and professional affairs of NYSCHP. With this responsibility there are commensurate obligations to NYSCHP and the NYSCHP membership. The first obligation is a **Duty of Care**, and this requires the Director/Representative to be active in the decision making process, and be informed about the affairs of the organization so that appropriate direction is given to the major business and professional policies of NYSCHP.

The second obligation is the **Duty of Loyalty** which means the Director/Representative acts only and at all times in the best interest of NYSCHP. The corporation's interest must prevail over individual interests and influences so that conflicts of interest are minimized, and that information gained through service to NYSCHP is not disclosed or used to one's personal benefit. As part of this Duty there is a legal obligation to provide advanced disclosure to NYSCHP of outside interests that may influence decision making, so that appropriate steps can be taken to manage the potential or real conflict of interest.

Since major decisions about NYSCHP are made by directors/representatives it is important that individuals with the appropriate level of experience and expertise be available for service to NYSCHP. It is expected that these individuals will have other concurrent professional and business interests while representing NYSCHP. Some of these other interests may involve potential conflicts of interest. To address conflicts of interest, and to protect the Director/Representative and their decisions on behalf of NYSCHP, individuals serving NYSCHP in this capacity are asked to disclose and discuss with NYSCHP these other material activities.

Given the importance of this issue, the Board of Directors of NYSCHP has adopted the following policy on Disclosure of Outside Interests:

Assumptions and Background:

- a. Securing Officers, Executive Directors, Directors and Committee Chairs (collectively "Representatives") on behalf of NYSCHP who have a wide variety of related professional and business experiences furthers the best interests of

NYSCHP by providing invaluable expertise for policy discussions and corporate transactions;

- b. Representatives have access to sensitive business, strategic and proprietary information about NYSCHP during their time of service, and such information is only to be used within the parameters of their activities with NYSCHP;
- c. NYSCHP recognizes that it would be unreasonable to expect its designated Representatives to forego all outside activity during their terms of office or service to NYSCHP;
- d. Representatives must meet certain professional, ethical and legal standards which, requires them to act objectively, honestly, in good faith, in the best interests and on behalf of NYSCHP; and
- e. Certain outside activity of Representatives may give rise to concerns or perceptions that the outside activity may: 1) bias or influence the individual's decision making regarding a program, policy or activity under consideration by NYSCHP, or 2) create an unfair competitive advantage for any individual person or outside organization (hereafter collectively referred to as "conflict of interest").

Given the above assumptions and background the following policy is adopted for current and future Executive Directors, Officers, and Directors and Committee Chairs of NYSCHP:

- a. The Executive Director, Officers, Directors, and Committee Chairs are expected to exercise their best judgment to further and to protect the best interests of NYSCHP and the membership; this judgment must be exercised in light of NYSCHP's mission as well as their experiences, perspectives and expertise.
- b. Annually, the Executive Director, Officers, Directors, and Committee Chairs shall complete the NYSCHP Disclosure Report Form and the Nondisclosure/Confidentiality Statement, and return both documents to the President of the Board. The Disclosure Report Form should disclose any outside activity or interest of a personal, financial, business, or other nature which might create a bias or conflict of interest with NYSCHP, whether or not the individual believes that a conflict or bias will develop.
- c. The President of NYSCHP shall circulate copies of all the disclosures to the Board Executive Committee for consideration and discussion, and shall make the occurrence of those disclosures a matter of official record at the earliest Board meeting.
- d. As to any specific matter under consideration by the Board Executive Committee or other deliberative body of NYSCHP, the President or Representative shall raise the possibility that a potential for bias or conflict of interest may exist. The

President shall, after discussion with the Representative, determine if a probable conflict of interest or bias may exist, and require appropriate action of the Representative.

- e. An Officer, Director or Committee Chair with a conflict of interest or bias should not vote on matters where the conflict or bias is applicable. They should not participate in discussions as advocates on matters affecting their own interests at meetings or informally through private contacts, but may respond to requests for factual information needed to reach an informed decision. In addition, in some situations a Representative who is determined to have a conflict of interest should not be present at a meeting in order to avoid inhibiting free discussion of the matter.
- f. Disclosure of the existence of specific conflict of interest and nonparticipation in debates and votes shall be noted in the minutes.
- g. Other NYSCHP members acting on NYSCHP's behalf (other than Officers, Directors and Committee Chairs) may be required to disclose in a written form to the Executive Director of NYSCHP, prior to the commencement of service for NYSCHP, the existence of any outside activities which might create a conflict of interest during service to NYSCHP.
- h. The duty to disclose conflicts of interest is an ongoing one, and any changes in information reported by the Representative on the Disclosure Report Form or any new information should be reported promptly to the Executive Director of the NYSCHP Board of Directors.
- i. The legal and professional standards which apply to Officers, Directors and Committee Chairs are also deemed to apply to the NYSCHP staff and agents of NYSCHP.

Print Name: _____

Signature: _____

Date: _____