



# Massachusetts ME/CFS & FM

ASSOCIATION

EDUCATION, SUPPORT & ADVOCACY SINCE 1985

## **Massachusetts ME/CFS & FM Association Inc. (MassME) Conflict of Interest Policy For Directors and Officers**

### **Article I - Purpose**

1. The purpose of this Board Conflict of Interest Policy is to protect MassME's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of MassME.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
3. This policy is also intended to identify independent directors.

### **Article II - Definitions**

1. Interested person -- Any director or principal officer who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
  - a. An ownership or investment interest in any entity with which MassME has a transaction or arrangement,
  - b. A compensation arrangement with MassME or with any entity or individual with which MassME has a transaction or arrangement, or
  - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MassME 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. A conflict of interest exists only if the Board decides that a conflict of interest exists, in accordance with this policy.

3. Independent Director -- A director shall be considered "independent" for the purposes of this policy if he/she/they is "independent" as defined in the instructions for IRS Form 990 (summarized here):
  - a. is not compensated as an officer, employee or contractor of MassME or a related organization;

b. is not involved, and does not have a family member involved, in a financial transaction that needs to be reported on Form 990, Schedule L (Transactions with Interested Persons);

and the director:

c. has not been, for a period of at least one year, an employee of or contractor for MassME, or for any entity in which MassME has a financial interest, or any entity that directly or indirectly has a significant business relationship with MassME, which might affect independence in decision-making;

### **Article III - Procedures**

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 Board.

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

3. 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/they shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest

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

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

c. After exercising due diligence, the Board shall determine whether MassME 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.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MassME'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.

5. Violations of the Conflicts of Interest Policy

a. If the Board 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.

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

#### **Article IV - Records of Proceedings**

The minutes of the Board shall contain:

a. 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's decision as to whether a conflict of interest in fact existed.

b. 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 V – Compensation and Voting**

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

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

#### **Article VI - Annual Statements**

1. Each director and principal officer shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy,
- d. Understands that MassME, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes, and
- e. Is an Independent Director.

2. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.

3. The Board of Directors shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

4. To ensure MassME 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:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.

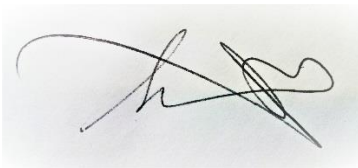
b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to MassME's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private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

### **Article VII - Use of Outside Experts**

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

### **Certification**

Philip Chernin, President of the Massachusetts ME/CFS & FM Association Inc., and Patricia Woods, Secretary of the Massachusetts ME/CFS & FM Association Inc., certify that the foregoing is a true and correct copy of the Conflict of Interest Policy of the above-named organization, duly adopted by the Board of Directors on June 2, 2021.



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Philip Chernin, President



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Patricia Woods, Secretary