

ACCET COMMISSION CODE OF CONDUCT POLICY (including Conflict of Interest Policy Relative to Financial Transactions)

Article I – Purpose: High standards of honesty, integrity, objectivity, and impartiality by ACCET Commissioners are essential to the proper conduct of the Commission’s business and the maintenance of confidence in the Commission and the accreditation process. The avoidance of misconduct and conflicts of interest on the part of Commissioners through informed judgment is essential to the maintenance of these high standards.

Article II – Standards of Conduct: Thus, the Commission has established the following standards of conduct:

1. Commissioners shall be guided by the standards, guidelines, and policies established by ACCET and shall fulfill their duties in an open and unbiased manner, free of external influences. Commissioners shall make proposals, vote, and otherwise conduct themselves in Commission meetings and activities in a manner consistent with their best, impartial and unfettered judgment, and in furtherance of the Commission’s purposes, without regard for the potential impact of the Commission’s decisions on their own professional or financial interests or those of their friends, relatives and colleagues. During their tenure as Commissioners, they shall conduct and comport themselves professionally, impartially, and courteously.
2. Commissioners shall conduct themselves in a manner which seeks to avoid conflicts of interest or any appearance of conflicts of interest. Commissioners shall declare to the Commission all current interests, financial or otherwise, in any institution that is accredited or may seek to become accredited by ACCET. Such interests may include, but are not limited to: (a) ownership of some or all of an institution, its assets, or the stock of the company that owns or operates the institution; (b) the holding of mortgages, liens or other debt instruments or interest of an institution or its assets; (c) the possession of such an interest as identified in above items a-b by a spouse, child or other relative; (d) service as an officer or director of an institution; (e) employment or consulting arrangements with an institution; (f) personal friendships other than casual business relationships with owners, operators, or senior employees of the institution; or (g) any other interest which affects or may affect the objective judgment of the Commissioner in the performance of his/her responsibilities on the Commission.
3. Commissioners shall not solicit or accept, for themselves or any other person, gifts, gratuities, entertainment, or other consideration, beyond a nominal value, from individuals that own, operate or are otherwise associated or affiliated with institutions that are accredited or may seek to become accredited by ACCET.
4. Commissioners shall not engage in any employment or consultative activity not compatible with the full and proper discharge of the responsibilities of the Commission.
5. Commissioners shall treat all information obtained through institutions’ participation in the accreditation process as confidential, and shall not disclose such information to parties other

than Commissioners and the staff of the Commission except pursuant to valid governmental regulation or judicial procedure. Commissioners shall not discuss accreditation matters on behalf of the Commission with members of the press nor participate in litigation or other legal proceedings involving institutions that are or may seek to become accredited by ACCET, without first conferring with the Chair of the Commission and the Executive Director.

6. Commissioners shall not discuss with outside parties legal matters involving institutions that are or may seek to become accredited by ACCET, but shall direct inquiries from these institutions, their legal representatives, or third parties to the Executive Director who may refer them to ACCET's General Counsel.

Article III – Procedures:

1. **Duty to Disclose:** The Commissioners shall disclose at the beginning or over the course of each regular Commission Meeting any personal or institution affiliated situations which might bring the integrity of the Commission into question. A Commissioner must abstain or recuse himself/herself from the proceedings while the Commission is discussing or voting on an action regarding any institution with which s/he has a potentially compromising affiliation or competitive bias. A Commissioner shall not vote on any matter relative to an institution with which the Commissioner is affiliated in any capacity or where such a vote would give rise to a conflict of interest or an appearance of such a conflict. A Commissioner must recuse himself/herself from the proceedings while the Accrediting Commission is discussing the case of, or formally taking a vote on action regarding, any institution with which he/she has a previous or current family, ownership, employment, contractual, or other direct business relationship, including those described in # 2, Article II. Any Commission who is a competitor in the same market area or who served as a member of an on-site evaluation team must formally abstain in the voting process while the Commission is taking formal action regarding the institution; however, the Commissioner may answer questions at the request of the Commission.
2. **Determining Whether a Conflict of Interest Exists:** If a Commissioner is uncertain whether a particular interest should be reported to the Commission, s/he shall seek the guidance of the Executive Committee or the Commission if it is currently in session for its determination as to whether the Commissioner must abstain or recuse himself/herself from the proceedings while the Commission is discussing or voting on actions regarding the institution(s) in question.
3. **Violation of Code of Conduct:** Alleged violations of the Code of Conduct by a Commissioner shall immediately be brought to the attention of the Commission for which the Executive Committee shall undertake an investigation of the alleged violation and report its finding to the Commission. If the Commission determines that the Commissioner has violated the Code of Conduct, it may sanction the offending Commissioner through verbal or written reprimand or, by a two-thirds vote of the then sitting Commissioners, may remove the offending Commissioner from the Commission.

ACCET CONFLICT OF INTEREST POLICY RELATIVE TO FINANCIAL TRANSACTIONS

Article I – Purpose: The purpose of this conflict of interest policy is to protect the financial interests of the Commission when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Commissioner, officer, or member of a committee designated by the Commission. This policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest for charitable and/or nonprofit organizations.

Article II – Definitions:

1. **Interested Person:** An interested party is any ACCET Commissioner, officer, or member of a committee designated by the ACCET Commission who has a direct or indirect financial interest, as described below.
2. **Financial Interest:** A person has a financial interest if that person has, directly or indirectly, through business, investment or family:
 - A. An ownership or investment interest in any entity with which ACCET has a transaction or an arrangement;
 - B. A compensation arrangement with ACCET or with any entity or person with which ACCET has a transaction or arrangement;
 - C. A potential ownership or investment interest in any entity or person with which ACCET is negotiating a transaction or arrangement; or
 - D. A potential compensation arrangement with ACCET or with any entity or person with which ACCET 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. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Executive Committee or, if applicable, its designated Audit Committee determines that a conflict of interest exists.

Article III – Procedures:

1. **Duty to Disclose:** In connection with any possible or actual conflict of interest, an interested person must disclose the existence of a financial interest and be given an opportunity to disclose all relevant facts to the Executive Committee which may delegate this review to an Audit Committee.

2. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all relevant facts, and after any discussion with the interested party, the person shall reclude himself/herself while the determination of a conflict of interest is discussed and voted upon. The remaining committee members shall determine if a conflict exists.

3. Procedures for Addressing the Conflict of Interest:

- A. An interested party may make a presentation at the committee meeting, but after the presentation, the person shall leave the meeting during the discussion and vote on the transaction or arrangement involving the possible conflict of interest.
- B. The Executive Committee may appoint an Audit Committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the committee shall determine whether ACCET 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 available under circumstances not producing a conflict of interest, the committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in ACCET'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.

4. Violations of the Conflict of Interest Policy:

- A. If the committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- B. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the committee determines the person 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 all committees delegated by the Executive Committee shall contain:

- A. The names of any 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 committee'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:

- A. A voting member of the Commission who receives compensation, directly or indirectly, from ACCET for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ACCET for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the Commission or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from ACCET, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Periodic Reviews: To ensure ACCET 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:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the results of arm's length negotiating.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to ACCET's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, 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 VII, ACCET may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Commission of its responsibility for ensuring periodic reviews are conducted.

ANNUAL AFFIRMATION OF COMPLIANCE WITH THE ACCET CODE OF CONDUCT POLICY

As an ACCET Commissioner, officer, and/or member of a committee designated by the ACCET Commission, I hereby affirm that I understand that the purpose of the ACCET Code of Conduct Policy, including the Conflict of Interest Policy Relative to Financial Transactions. These policies are intended to supplement but not replace any applicable state or federal laws governing conflicts of interest for charitable and/or nonprofit organizations. Further, I affirm that I:

- received a copy of the ACCET Commission Code of Conduct Policy,
- read and understand the ACCET Commission Code of Conduct Policy,
- agree to comply with the policy, and
- understand that ACCET is an organization subject to federal tax exemption status for which it must engage primarily in activities which serve the public good consistent with its tax-exempt purposes.

Printed Name: _____

Signature: _____

Date: _____