

Conflict of Interest Policy

PREAMBLE – Whenever we are engaged in the Institute’s work, we are expected to act in the Institute’s best interests. We must avoid conflicts of interest, or the perception thereof. Trustees have an additional responsibility in protecting Albert Ellis Institute’s (hereinafter “AEI”) reputation by adhering to the fiduciary duties which would be used by a court to determine whether a Board member acted improperly. These standards are typically described as the duty of care, the duty of loyalty and the duty of obedience.

Duty of Care

The duty of care describes the level of competence that is expected of a Board member and is commonly expressed as the duty of care that an ordinarily prudent person would exercise in a like position and under similar circumstances when acting as a steward of the Institute.

Duty of Loyalty

The duty of loyalty is a standard of faithfulness. A Board member must give undivided allegiance when making decisions affecting the organization. Among other things, this means that a Board member can never use information obtained as a member for personal gain, but must act in the best interest of the organization at all times. Additionally, a Board member must be sure not to compete with the organization for any resources or usurp the organization of any opportunity.

Duty of Obedience

The duty of obedience requires Board members to be faithful to an organization’s mission. They are not permitted to act in a way that is inconsistent with the central goals of the organization. AEI’s constituencies must trust that that the Board will manage the organization’s assets in support of the mission.

Although these three duties are the standard for Trustees, they form the basis for the behavior of every officer, employee and staff member when representing AEI.

POLICY – A “conflict of interest” occurs when an individual’s private interest interferes in any way – or appears to conflict in any way – with AEI’s best interests. A conflict of interest may arise when an employee, officer, Trustee or staff member takes actions or has interests that make it difficult to perform the Institute’s work objectively or effectively. Conflicts of interest may arise when one of the interested parties, or a member of his/her family, receives improper personal benefits as a result of his/her position with AEI. Improper benefits may be anything of value offered in an attempt to inappropriately influence decisions. We also recognize that the perception

of a conflict of interest may be just as damaging to AEI as the actual existence of such a conflict. Therefore, we are committed to avoiding actual or perceived conflicts. When faced with a real or potential conflict of interest, a full and prompt written disclosure must be made to the Director before deciding the issue at hand. Once provided with the written disclosure, the Director will proceed under the terms laid out in Article II, Sections 11-12 of AEI's By-Laws.

This policy does not attempt to describe each and every possible conflict that could develop, but the following include some specific guidelines:

Relationship with Clients – Clients are entitled to absolute confidentiality of their identity, prognosis, diagnosis and treatment history under this policy, HIPAA (“Health Insurance Portability and Accountability Act”) and similar local laws, and APA (“American Psychological Association”) Ethical guidelines. The AEI Clinician’s manual contains detailed guidelines for protecting client rights.

Relationship with Trainees – While associated with AEI, trainees can expect to receive the best didactic training and supervision that AEI has to offer. During this time no Trustee, officer or employee shall borrow from, lend or have any financial dealings with the trainees except as provided for in their contracts with AEI. No commitments, financial or otherwise, shall be made to any trainee or prospective trainee except by AEI’s Director in consultation with the Director of Professional Education.

Relationship with Suppliers – Suppliers must be selected on the basis of the best interests of AEI. Supplier selection must never be based upon personal interests. In most situations involving business greater than \$1,000.00, competitive bidding must be used with the final decision made on the basis of price, quality, availability and service. AEI seeks out suppliers who share our commitment to the highest ethical standards.

Relationships with Donors or Sponsors – To ensure that AEI merits the respect and trust of the general public and that sponsors, donors, prospective sponsors and prospective donors can have full confidence in AEI, its work and its mission, the Institute operates with the following Donor Bill of Right created by the Association of Fundraising Professionals. These rights include:

- To be informed of AEI’s mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purpose.

- To be aware of the identity of those serving on AEI's Board and to expect the Board to exercise prudent judgment in its stewardship.
- To have access to AEI's most recent financial statements.
- To be assured that their gifts will be used for their stated purpose.
- To receive appropriate acknowledgement and recognition.
- To be assured that information about their donation is handled with respect and with the confidentiality it deserves.
- To expect that all relationships with individuals or organizations affiliated with the donor be completely professional in nature.
- To be informed whether those seeking donations are AEI employees, volunteers or hired solicitors.
- To have the opportunity to have their names removed from mailing lists that are shared outside of AEI
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Gifts – offering, providing, soliciting, or accepting anything for the purpose of obtaining or rewarding favorable treatment from a supplier, sponsor or donor is always unacceptable. Ordinary and reasonable business courtesies may be appropriate in certain circumstances. However, any such courtesies offered or received must be modest in value and must not influence, or appear to influence, the business decision of the recipient.

Meetings with suppliers, sponsors or donors may include an element of entertainment, provided the entertainment is of reasonable value, occasional frequency, in good taste and not in conflict with AEI's mission or reputation. The Trustee, officer or employee involved in such meetings should maintain a written record of such meetings and the business nature of the discussions. Additionally, any receipts of such meetings where entertainment is provided should be retained and given to the Treasurer.

No cash, gratuity, kickback or special favor from any supplier, sponsor or donor may be solicited, requested or accepted. Gifts of a nominal value (defined as less than \$100) may be accepted provided they have not been solicited and are not being made in return for a special consideration. Any gift whose value is over \$100 must be reported in writing to the Director. Gifts whose value exceeds \$200 must be approved in writing by the Director before acceptance. Should the Director be the recipient of such gifts, he/she shall report the gifts to the President or receive the President's approval in writing, depending on the value.

All Trustees, officers, professional staff and employees are required to read AEI's strict Conflict of Interest policy as described herein, to comply with its provisions and

respond, in writing on an annual basis to these four statements noting any deviations or possible deviations there from:

- I have read and understand AEI's Conflict of Interest Policy.
- During the past year I have not engaged in any transaction with AEI (other than donations of my time, money, goods and services) which is in conflict with this policy and I am not contemplating entering into any such transaction during the current year.
- During the past year I have not solicited or received any gift or gratuity from any sponsor, supplier, donor or any person contracting with or seeking to contract with AEI.
- The statements made in paragraph 2 and 3 above are true as to me and all members of my family.

To: The Director

From: _____

Date: _____

I have read and understand the Albert Ellis Institute's Conflict of Interest Policy.

During the past year neither I nor any members of my family have engaged in any transaction with the Institute (other than donations of my time, goods, or services) which is in conflict with this policy and neither I nor any members of my family are contemplating entering into any such transaction during the current year, except as to the following:

Furthermore, during the past year I have not solicited or received any gift or gratuity from any sponsor, supplier, donor or any person contracting with or seeking to contract with the Institute, except as to the following:

Signature