



## **THE NEBRASKA SOCIETY FOR RESPIRATORY CARE**

**A Chartered Affiliate of the American Association for Respiratory Care**

### Policy Statement

Section: Board of Directors

Subject: **Fiduciary Responsibility**

Effective Date:

References: Roberts Rules of Order, AARC Policy Concerning Conflict of Interest

#### ***Policy Statement:***

Officers and Directors of the NSRC shall retain fiduciary duty to manage the Affairs of the Association so that its property will be used for the purpose for which it has been entrusted.

#### ***Policy Amplification:***

1. Society Directors and Officers shall be considered “fiduciaries” and therefore have a status similar to that of trustees.
2. Directors and officers shall act solely for the benefit of members of the Society in scrupulous good faith and candor.
3. The fiduciary standards applicable to Directors and Officers of the NSRC shall be as summarized below, to provide a reference for determining conduct to which a Director or Officer should adhere:
  - a. Duty of Loyalty: the duty of loyalty for a NSRC Director or Officer requires that he or she not exploit Society opportunities, or misuse inside information, or cast a vote on a matter in which a Director or Officer has an adverse interest.
  - b. Doctrine of Corporate Opportunity: Where a business opportunity is in line with the Society’s activities, and is one in which the Society has a legitimate interest or expectancy, the opportunity belongs to the Society. A Director or Officer who diverts the opportunity and embraces it as his/her own will be considered a constructive trustee for the benefit of the Society and holds all of the profits and benefits received there from for the Society.
  - c. Use of Inside Information: a Director or Officer who acquires special knowledge or information by virtue of his/her fiduciary relationship with the NSRC is not free to exploit that knowledge or information for his/her own personal benefit. Just as trustees have no right to retain for themselves, the profits yielded by property placed in their possession, but must account to their beneficiaries, a NSRC Director or Officer may also be held accountable where he/she has disclosed such information to another person who then gains an advantage over members or the general public or the Society and its members.
  - d. Duty of Care: the duty of care requires that NSRC Directors and Officers exercise reasonable care and good faith in carrying out their responsibilities. A Director or Officer should exercise the same care and skill which an ordinarily prudent person would exercise under similar circumstances in his or her own personal affairs. By accepting the office, Directors and Officers implicitly



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undertake to give their best judgment to the NSRC, and may be held liable for negligent or unauthorized acts.

In the event that any Director or Officer of the Society should have any direct or indirect interest in or relation with, any individual or corporation which has entered, or proposes to enter, into any transaction with the Society, such Director or Officer must notify the Board of Directors of such interest or relationship, and must thereafter refrain from discussion or voting on the particular transaction in which he or she has such interest. Such a Director or Officer must also refrain from otherwise attempting to exert influence on the Society, its Officers, Board of Directors, or employees to effect its decisions participate or not to participate in such actual or proposed transaction. The types of transactions here considered include, but are not limited to those involving:

- 1) The sale, purchase, lease or rental of any property, supplies or other assets between a Director or Office and the Society.
- 2) Employment or the rendition of services
- 3) The award of any grant, contract or subcontract, or
- 4) Investment or deposit of any funds of the Association.

If and when the particular transaction is discussed in a meeting, the minutes of that meeting must reflect that a disclosure was made by the interested Director or Officer. Furthermore, A Director or Officer must not in any direct or indirect manner compete with the Society or secretly act on behalf of creditors.

Any questions not directly answered should be brought before the entire Board of Directors.

4. Each Board member shall complete a "Conflict of Interest" statement as directed by the President.

Definitions:

#### **Conflict of interest:**

A conflict of interest is defined as any situation where a Director or Officer has a direct or indirect outside personal interest which has the potential of being contrary to the best interest of the Society.

*AARC definition:* Direct or indirect participation by a key person of the association in association decisions regarding, contracting of services; purchase, sale, or lease of property, supplies or assets; setting the direction or action of the association, that involves direct or indirect personal interest or influence in entity external to the association that is in or has potential of being in conflict with the best interests of the association.

#### **Fiduciary Duty:**

A fiduciary duty is the highest form of legal duty owned by one person to another.



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### Conflict of Interest Statement

As duly elected officer of the NSRC I hereby state that I or members of my immediate family have the following affiliations or interests or have taken part in the following transactions that, when considered in conjunction with my position with or relation to the Nebraska Society for Respiratory Care, might possibly constitute a conflict of interest. Detail those relationships or check NONE where applicable;

1. **Outside Interests:** Identify any purchases or sales or interests or services by yourself or your immediate family that might be deemed to have been in competition with the NSRC?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

None \_\_\_\_\_

2. **Outside Activities:** Identify any instances in which you or a member of your immediate family have rendered directive, managerial or consultant services to any outside concern that does business with or competes with the services of the NSRC.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

None \_\_\_\_\_

3. **Gifts, Gratuities and Entertainment:** Neither I nor any members of my immediate family have accepted gifts, gratuities or entertainment from any outside concern that does, or is seeking to do, business with, nor is a competitor of the NSRC except as listed below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

None \_\_\_\_\_

4. **Inside Information:** Neither I nor any member of my immediate family have disclosed or used information relating to the NSRC business for personal profit or advantage of myself nor my immediate family, except as listed below.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

None \_\_\_\_\_

5. **Other:** List any other activities in which you or your immediate family are engaged in what be regarded as constituting a conflict of interest

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

None \_\_\_\_\_

I hereby agree to report to the NSRC President any further transactions that may develop and refrain from voting on any issues where conflict is identified.

**Print Name:** \_\_\_\_\_

**Print Board Position:** \_\_\_\_\_

**Sign Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_



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*Return signed document to NSRC Secretary or President.*

Reviewed: Mar 2, 2011

Board Approval \_\_\_\_\_

J Bush