

**Partnership for Drug-Free Kids  
Code of Conduct Policy, including Conflict of Interest  
Updated January 15, 2014**

## **I. Introduction**

The Partnership is a publicly supported charitable organization, and is dedicated to its mission of helping parents prevent, intervene in and treat their children's drug and alcohol use. The Partnership operates within the public trust, and strives to be transparent while maintaining the highest code of conduct in all of its operations.

The Partnership adopts this Code of Conduct in recognition of its responsibility to the public trust and the importance of fairness and objectivity in its conduct of business. Adherence to the Code of Conduct will help assure that decisions of the Partnership are made in its best interest and will help codify expectations of Board, Staff, and others servicing the Partnership.

This Code of Conduct applies to all persons holding positions of responsibility and trust on behalf of the Partnership, including but not limited to members of the Board of Directors, Partnership Alliances & Volunteers (Partners), and Partnership Staff including consultants (Staff). This Code shall be provided to each Board Member, Partner and Staff at the time that he or she is asked to serve or be employed by the Partnership, and signed annually thereafter.

## **II. Ethical Behavior and Expectations**

Board Members, Partners and Staff are expected to commit themselves to ethical and professional conduct. This includes the proper use of authority and appropriate decorum. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, business interests, personal interests, or paid or volunteer service to other organizations. It also supersedes the personal interest of any Board Member, Partner or Staff acting as a consumer or client of the Partnership's services.

Board Members, Partners and staff shall not derive any personal profit or gain, directly or indirectly, by reason of his or her service to the Partnership. There may be no "self-dealing" or any conduct of private business or personal services between Board Members, Partners, Staff and the Partnership, except those conducted in an open and objective manner to ensure equal competitive opportunity and equal access to information.

Board Members may not use their positions with the Partnership to obtain employment/consulting services for themselves, family members or close associates. Should a Board Member desire employment, he or she must first resign their position.

Board and committee members may not attempt to exercise individual authority over the policies and operations of the Partnership except through their roles as voting members of the Board or committees. Staff members may not attempt to exercise individual authority over the policies and operations of the Partnership except through their specific job responsibilities and established supervisory structure.

All Board Members, Partners and Staff must hold strictly confidential all issues of a private nature, including, but not limited to, issues related to private businesses, contributions from individuals, businesses, and other private entities, and all personnel matters.

### **III. Policies on Conflict of Interest**

The Partnership recognizes that it can best accomplish its mission when the Board of Directors, Committee Members, Staff, Partners and other groups associated with the Partnership represent the diverse interests, cultures, occupations, and expertise of the community. Thus, the Partnership recognizes that Board Members and others representing or affiliated with the Partnership will from time to time face possible conflicts of interest or situations in which the appearance of conflict of interest that may be detrimental to the Partnership and the communities it serves.

In conducting the affairs of the Partnership, duality or conflict of interest shall be presumed when a person to whom this policy applies or a member of his/her immediate family serves as a trustee, officer, staff member, or holder of corporate stock of an affected organization or firm, has a formal affiliation or interest in an affected organization or firm, or may expect financial gain or loss from a particular decision.

Before a Board Member and Staff begin his or her services with the Partnership, he or she shall file with the President/CEO of the Partnership a list of his or her principal business activities, as well as involvement with other charitable and business organizations, vendors, or business interests, or with any other associations that might produce a conflict of interest.

Board Members, Partners and Staff are under an obligation to inform the Partnership of any position he or she holds or of any business or a vocational activity which may result in a possible conflict of interest or bias for or against a particular grantee, action, or policy, at the time such grant, action, or policy is under consideration by the Board or any committee of the Partnership. Any duality or possible conflict of interest shall be disclosed to the Board Chair (in the case of a Board Member), to the President/CEO (in the case of Staff and Partners), and made a matter of record as soon as the issue in question is raised and a possible conflict is known.

When the Board Member, Partner or Staff is to decide upon an issue about which that person has an unavoidable conflict of interest, that person shall physically be absent without comment from not only the vote, but also from the deliberation, unless directly requested by the Board Chair or relevant committee to provide factual information or answer factual questions that may assist the Board or Committee in making a wise decision. In no case shall that Board Member, Partner or Staff vote on such matter or attempt to exert personal influence in connection therewith. Disclosure and abstention shall be recorded in the minutes of the meeting(s) at which the issue is discussed and decided.

#### **Here are some examples of conflict of interest situations that should be avoided:**

- 1) Partnership-related Fees -- Fees paid to a Board Member or Staff by outside sources, which pertain directly to their position and work for the organization – e.g., Partnership-related speaking and consultant fees, honoraria, and the like – must be paid to the Partnership directly. In the event that fees are paid to the Board Member or Staff, that individual shall notify the Partnership's CFO promptly, and the check shall be endorsed and delivered to the Partnership.

- 2) No direct loans from the Partnership may be made to a Board Member, Partner, or Staff member. In addition, no loan may be made to any entity for which Partnership Board Member or Staff has ownership interest.
- 3) Prospective Employment -- No Board Member, Partner or Staff may participate in any transaction involving a person or organization with whom he or she is negotiating or has any arrangement concerning prospective employment.
- 4) Personal Loans -- No Board Member, Partner or Staff shall make a personal loan to or make an investment in a business (refer to section III first paragraph) that has received grants or payments from the Partnership.
- 5) Expenses -- No Staff may supervise, approve Partnership expenses or reimbursement for, or sign a check for another staff member who is also a member of his or her immediate family.
- 6) No Board Member, Partner or Staff shall knowingly accept from any current or potential vendor, contractor or other entity with a potential or current business relationship with the organization--any cash, gift, tangible or in-kind benefit, payment or other consideration for personal use or gain when it could reasonably be inferred that the gift was intended to influence or reward an official action on his or her part, except mere tokens of appreciation.
- 7) No employee shall undertake any outside consulting or paid employment until he or she has informed his or her immediate supervisor in writing of the work and the supervisor has determined that no conflict of interest exists. Staff may not engage in outside employment that is incompatible with or interferes with the regular job duties at the Partnership. If the staff member concerned is the President/CEO, the Governance Committee of the Board shall determine whether a conflict of interest exists. Information on outside employment will be kept in strict confidence. However, approval is not required for outside work that involves work responsibilities totally unrelated to the employee's work at the Partnership and which is performed for an entity or individual not having any contact whatsoever with the Partnership.

#### **IV. Employee Protection Policy**

The Partnership's Code of Conduct policy requires our board, committee members, partners and staff to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of The Partnership at Drugfree.org, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

The employee protection policy (also known as a whistleblower policy) is intended to cover serious concerns that could have an impact on The Partnership. If an employee reasonably believes that some practice or activity is in violation of the law, regulation or Partnership policy, a written complaint must be filed by that employee with the Director of Human Resources, the President/CEO or the Chairman. The following are examples that should be reported:

- Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement or accounting records of The Partnership;
- Stealing or misappropriation of funds or assets;
- Violations of law, regulation or Partnership policy, including the Code of Conduct, Conflict of Interest policy;
- Deficiencies in or non-compliance with our internal controls; or
- Serious improper conduct;

It is the responsibility of all staff to comply with the code of conduct and to report violations or suspected violations in accordance with this policy. Violations or suspected violations may be submitted in writing on a confidential basis by the complainant or may be submitted in writing anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

No director, officer, employee or volunteer who in good faith reports a violation of the code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

All reports will receive immediate attention, an investigation will commence as soon as practical based on the risk assessment and exposure. If necessary, The Partnership's legal counsel and/or independent auditing firm will be involved in the investigation. Subject to legal constraints, the complainant will receive information about next steps and resolution of any investigation.

The Director of Human Resources will be responsible for administering this policy and report any complaints to the Finance (Audit) Committee.

**V. Duties of the Board Chair and the President/CEO**

The Board Chair shall be responsible for the application and interpretation of the Code of Conduct policy as it relates to Board Members and the President/CEO. The President/CEO shall be responsible for the application/interpretation of the above policies as they relate to Partners and Staff.

**VI. Duties of Board Members, Partners & Staff**

Each Board Member has the affirmative responsibility to report to the Board Chair (in case of concerns related to Board or committee members or the President/CEO) or to the President/CEO (in the case of concerns related to Partners and Staff) and all knowledge of any action or conduct that appears to be contrary to this policy.

**VII. Potential Consequences and Corrective Action**

Any Board Member, Partners and Staff who engages in material violation of this policy may, at the Board Chair's discretion, face immediate removal from his/her duties or involvement with the Partnership.

I have read and understand the Partnership's Code of Conduct policy, agree to abide by its terms, and am not aware of any known or potential violations of the policy, except as noted below.

Signed:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

List any known or potential violations: