

**Texas Orthopaedic Association  
Conflict of Interest Policy and Disclosure Form**

Adopted in 2016

Members of the Executive Council of the Texas Orthopaedic Association (“TOA”), officers, and key employees each have an affirmative obligation to act at all times in the best interests of TOA. This policy serves to define the term “conflict of interest,” to assist members of the Council, officers, and key employees in identifying and disclosing such conflicts, and to minimize the impact of such conflicts on the actions of TOA whenever possible. (Collectively, this policy will refer to directors, officers, and key employees as “Covered Officials.”)

*Fiduciary duty.* Each Covered Official has a fiduciary duty to conduct himself or herself without conflict to the interests of TOA. When acting within his or her capacity as a Covered Official, he or she must subordinate personal, business, third-party, and other interests to the welfare and best interests of TOA.

*Conflict of interest defined.* A “conflict of interest” is any transaction or relationship which presents, or may present, a conflict between a Covered Official’s obligations to TOA and his or her personal, business, or other interests.

*Disclosure.* The Executive Council recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to TOA. However, the Council requires full disclosure of all actual and potential conflicts of interest. Each Covered official shall disclose any and all facts that may be construed as a conflict of interest, both through an annual disclosure process and whenever such actual or potential conflict occurs.

*Process and remedy.* The Executive Council will determine whether or not a conflict of interest exists, and whether or not such conflict materially and adversely affects the interests of TOA. A Covered Official whose potential conflict is under review may not debate, vote, or otherwise participate in such determination. If the Council of Directors determines that an actual or potential conflict of interest does exist, the Council shall also determine an appropriate remedy. Such remedy may include, for example, the recusal of the conflicted Covered Official from participating in certain matters pending before the Council or other TOA body.

*Delegation.* The Executive Council may delegate its authority to review and remedy potential conflicts of interest to a committee consisting of the President, President-Elect, and Past President of the TOA (“Committee”). Only disinterested members of the Committee may participate in any such review. The Committee shall inform the Council of its determination and recommended action. The Council shall retain the right to modify or reverse such determination and action, and shall retain the ultimate enforcement authority with respect to the interpretation and application of this policy. Annual disclosure process. On an annual basis, each member of the Executive Council shall be provided with a copy of this policy, and shall complete and sign the acknowledgment and disclosure form below.

EXPLANATION OF CONFLICTS OF INTEREST

Definitions (The following is intended to be illustrative rather than exhaustive):

A. Interests --the following are examples of financial and business interests :

1. Sales to or purchases from the Chapter by a Member, either individually or through a company or other entity in which that person has a substantial interest;
2. Loans to or from the Chapter by a Member directly or through a substantially owned entity;
3. Other interests in a related business or profession which might conflict with the policies of the Chapter;

B. Direct or Indirect --The meaning of direct interest is clear enough, but "indirect" has a wide range of meanings. Examples of indirect interests are:

1. Where a Member owns a substantial share of a company but has put the ownership interest in that person's spouse's or another's name;
2. Where the spouse or another relative owns a company which sells goods or services to the Chapter.

C. Substantial --Where the outside interests consist of ownership (direct or indirect) of an entity doing business with the Chapter, a substantial conflict means 5% or greater ownership of the other business.

#### ACTIVITIES THAT MIGHT CAUSE CONFLICT OF INTEREST

Conflict of interest may be considered to exist in those instances where the actions or activities of an individual on behalf of the Chapter also involve (a) the obtaining of an improper personal gain or advantage; (b) an adverse effect on the Chapter's interests; or (c) the obtaining by a third party of an improper gain or advantage. Conflicts of interest can arise in other instances. While it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guide to the types of activities which might cause conflicts and which should be fully reported to the Chapter.

A. Gifts, Gratuities and Entertainment

Direct or indirect acceptance by an individual (including members of that person's family) of gifts, excessive or unusual entertainment, or other favors from any outside concern which does or is seeking to do business with the Chapter. This does not include the acceptance of items of nominal value which are of such a nature as to indicate that they are merely tokens of respect or friendship and not related to any particular transaction or activity.

B. Investments--Financial Interests

1. Holding by an individual, directly or indirectly, of a substantial financial interest in any outside concern from which the Chapter secures goods or services (including the service of buying or selling stocks, bonds, or other securities).
2. Competition with the Chapter by an individual, directly or indirectly, in the purchase or sale of property or property rights or interest.
3. Representation of the Chapter by an individual in any transaction in which the individual or a member of his family has a substantial financial interest.

C. Inside Information

Disclosure or use of confidential information for the personal profit or advantage of the Member or anyone else.

PLEASE SIGN AND RETURN TO THE TOA OFFICE

MAIL TO: Texas Orthopaedic Assn  
401 W. 15<sup>th</sup> | Suite 820  
Austin, Texas 78701

**TOA Board of Directors  
Annual Conflict of Interest Policy Disclosure Statement**

I, \_\_\_\_\_ (name printed), have read the Conflict of Interest Policy of TOA.

To the best of my knowledge and belief, neither I nor any person or organization with whom I have a personal or business relationship is engaged in any transaction or activity that may represent a conflict with my obligations to TOA.

To the best of my knowledge and belief, neither I nor any person or organization with whom I have a personal or business relationship intends to engage in any transaction, to acquire any interest in any organization or entity, or to receive any substantial gift or favor that may represent a conflict with my obligations to TOA.

To the best of my knowledge and belief, I do not expect to receive compensation from TOA, or to receive in excess of \$10,000 annually from TOA for services I provide to TOA as an independent contractor, other than reimbursement of reasonable expenses.

To the best of my knowledge and belief, no member of my family expects to receive any compensation or material financial benefit from TOA.

To the best of my knowledge and belief, I have no family relationship or business relationship with any current member of the Executive Council, any officer, or any key employee of TOA.

Any exception to the statements made herein are disclosed in full below.

Without Exception \_\_\_\_ (initial)

With Exception as Described Below \_\_\_\_ (initial)

Signature \_\_\_\_\_ Date \_\_\_\_\_

Exceptions: