

CHA Board of Trustees
CONFLICT OF INTEREST DISCLOSURE FORM

-- CONFIDENTIAL --

(Please attach additional pages if necessary)

Covered Individual: _____

Title: _____

Filing Period (check one): _____ Initial _____ Annual _____ Specific Event

Please complete a new Disclosure Statement each time you become aware of a financial interest, a potential conflict or a change to any of the information previously reported.

Please complete all questions or enter N/A -- do not leave any question blank.

DEFINITIONS. Terms used herein shall have the meanings set forth in the Conflict of Interest Policy. Key terms are repeated herein for ease of reference.

Compensation means any payment for services rendered, whether as an employee or independent contractor, and includes direct and indirect remuneration as well as gifts or favors that are more than insubstantial.

Insider means a person with substantial influence over CHA. The following four categories of persons are deemed to have substantial influence over CHA, and therefore are considered "insiders" for the purposes of this policy:

1. Each member of the Board of Trustees.
2. The president and chief executive officer, chief operating officer, and chief financial officer.
3. Key employee. Key employee means an employee whose total annual compensation (including benefits) from the organization and its affiliates is more than \$150,000 **and** who (a) has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or** (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or** (c) has or shares authority to control 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.
4. Any person who met any of the above definitions at any time during the five years before the proposed transaction.

Interested person means any person described in any of the four categories above or in either of the two categories below.

5. Family members: Spouses, ancestors, children, grandchildren, great-grandchildren, brothers, sisters, and the spouses of their children, grandchildren, great-grandchildren, brothers, and sisters of any individual listed in categories 1 – 4 above.
6. Any entity in which any combination of persons listed above in categories 1 – 5 owns more than 35 percent of the combined voting power, if the entity is a corporation; profits or capital interest, if a partnership; or beneficial interest, if a trust or estate.

Interest means any commitment, investment, relationship, obligation, or involvement that may influence a person's judgment, including receipt of compensation from CHA, a sale, loan, or exchange transaction with CHA, and other financial interests (see below), as well as personal, political, social, or professional interests.

A *conflict of interest* is present when, in the judgment of the body or individual determining whether a conflict exists, an interested person's stake in the transaction is such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of CHA.

Financial interests include situations where the interested person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which CHA has, or proposes to enter into, a transaction; or
2. A compensation arrangement with any entity or individual with which CHA has, or proposes to enter into, a transaction; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CHA has, or proposes to enter into, a transaction.

Person means any individual or entity, including a trust, estate, partnership, association, company, or corporation.

Transaction means any transaction, agreement, or arrangement between an interested person and CHA, or between CHA and any third party where an interested person has an interest in the transaction or any party to it. Transactions specifically identified as presenting no conflict of interest by applicable law, or under a corporate policy adopted by the Board of Trustees to govern certain similar transactions and impartially administered, are excepted from the term transaction for purposes of this policy. Nothing in this policy permits CHA to engage in a transaction prohibited by law.

Note: We are required by federal tax law to ask you the next two questions for the purpose of completing CHA's annual tax return. This return applies to the most recently completed fiscal year (ending December 31). As a result, while the preceding questions can and should be answered with current information (as of when you complete this form), the

time period is the most recent fiscal year of the CHA. Please answer these questions to the best of your knowledge.

DISCLOSURE OF TRANSACTIONS

1. Did you, or did a Family Member, engage in a new or ongoing Transaction with CHA during the most recent fiscal year?

Yes ___ No ___ If “yes,” see separate instruction below.

2. Did an entity, in which you (together with other trustees, Officers and Key Employees of the CHA and all Family Members of you and these other persons) have an ownership interest exceeding 35%, engage in a new or ongoing Transaction with CHA during the most recent fiscal year?

Yes ___ No ___ If “yes,” see separate instruction below.

3. Did any entity (other than a Section 501(c) tax-exempt entity) in which you served during the most recent fiscal year as an Officer, director, trustee, Key Employee, partner, member or shareholder, engage in a new or ongoing Transaction with CHA during the most recent fiscal year?

Yes ___ No ___ If “yes,” see separate instruction below.

For any “yes” answer to these questions describe on an attachment the person(s) involved in each Transaction, the relationship between you and the organization in each Transaction, the dollar amount of the Transaction, the nature or type of Transaction, and whether the payment by the CHA was based on a percentage of CHA’s revenues (simply by indicating yes or no).

DISCLOSURE OF FAMILY AND BUSINESS RELATIONSHIPS WITH LISTED INDIVIDUALS AND ENTITIES Attached to this disclosure form is a complete list of the trustees, Officers and Key Employees of CHA during the most recently completed fiscal year. Please refer to the attached list when completing this question.

With respect to any family or business relationship you disclose, note that the Form 990 annual tax return for CHA will disclose only that a family or business relationship exists, and will not provide any details as to the nature of that relationship. In addition, please note that you do not have to disclose any privileged relationship (i.e., an attorney-client, doctor-patient or clergy-communicant relationship).

1. At any time during the most recent fiscal year, was any person on the attached list a Family Member?

No ___ Yes ___ – Specify Name and Relationship Below

2. At any time during the most recent fiscal year, were you an employee of anyone on the attached list, or were you an employee of an entity as to which a person on the attached list at that time was a trustee, director, Officer, Key Employee or greater-than-35% owner?

No ___ Yes ___ – Specify Employer(s) Below

3. At any time during the most recent fiscal year, did you engage in at least one Transaction with a person on the attached list? Note: For this question., include indirect Transactions (where the transaction involves an organization with which you or the other person is a trustee, director, Officer, Key Employee or greater-than-35% owner), but exclude any Transaction that involves payment of cash or property of \$10,000 or less in the aggregate to the same person, and exclude also any transaction involving ordinary business conducted on the same terms offered to the general public.

No ___ Yes ___ – Specify Name and Relationship Below

4. At any time during the most recent fiscal year, did you and another person on the attached list serve in the same business or investment entity as a director, trustee, Officer, Key Employee or greater-than-10% owner? (For example, if you served as a director of an entity in which another person on the list was an officer, you would indicate “yes.”)

No ___ Yes ___ – Specify Name and Relationship Below

AFFIRMATION.

By signing this form, I am affirming the accuracy, to the best of my knowledge, of what I have disclosed on this form. In addition, by signing this form, I am affirming each of the following statements:

1. I acknowledge receiving a copy of CHA's Conflict of Interest Policy.
2. I understand that CHA is a tax exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
3. I have disclosed on this form any and all activities and interests that I or Family Members have or have taken part in, that when considered in conjunction with my position with or in relation to CHA might possibly constitute a conflict of interest.
4. I agree to refrain from voting or using my personal influence on any matter that may represent a conflict of interest.
5. I agree to refrain from accepting gifts, gratuities or entertainment intended to influence my judgment or actions concerning the business of CHA.
6. If any situation should arise in the future that may involve me in a conflict of interest in accordance with CHA's Conflict of Interest Policy, I will promptly provide a new Disclosure Statement to the Filing Officer.

SIGNED AND DATED:

Signature: _____

Date: _____

Please return this form to:
C. Duane Dauner, President
California Hospital Association
1215 K Street, Suite 800
Sacramento, CA 95814

For Office Use Only:

Received by: _____

Date Received by Filing Officer: _____