



Conflict of Interest Policy

Section 1. Purpose:

The Human Milk Banking Association of North America (HMBANA) is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of HMBANA as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between HMBANA and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty, care, obedience, and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of HMBANA honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of HMBANA.

Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with HMBANA or knowledge gained there from for their personal benefit. The interests of the organization must be the priority in all decisions and actions.

Section 2. Responsible Person:

This policy, and subsequent disclosure statement, considers responsible person to include anyone that may influence organizational actions, decision making and allocation of resources including, but not limited to directors and officers, employees, contracted employees, volunteers, and committee members. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning HMBANA. A person has an interest directly or indirectly through business, investment, or family.

Section 3: Interests

A conflict of interest may occur in an outside interest, relationship, or activity influences, appears to influence or has the potential to influence the ability to exercise objectivity. Conflicts of interest may arise, but are not limited to the following:

1. Direct or indirect financial interest.
 - a. Supplying goods and services to HMBANA.
 - b. Relationship through leases of property and equipment.
 - c. Transactions or potential transactions pertaining to the gift, purchase or sale of real estate, securities, or other property.
 - d. A compensation or remuneration arrangement with/from HMBANA or with any entity or individual with which HMBANA has a transaction, contract or arrangement
 - e. Owning stock or holding debt or other proprietary interests in any third party dealing with HMBANA.

2. Conflict of loyalty or duality of interest. *Note: conflicts of loyalty can occur even in organizations that are generally aligned. Directors are obliged to act in the best interest of the organization by giving full allegiance to HMBANA's mission. This includes full disclosure; actively avoiding impropriety; resigning/excusing when personal beliefs, bias, or conflicts interfere with duties owed to the organization; respecting confidentiality; and supporting execution of board decisions.*
 - a. Current or previous employment, professional affiliation or personal gain associated with formula companies, for profit milk banks, or unaccredited milk banks or by companies that market foods for infants and children
 - b. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with HMBANA.
 - c. Employment, service, litigation, honorariums, or other obligations to competing or affinity organizations or individuals.
 - d. Participation in consultation to any outside interest that does business with HMBANA.
 - e. Dual participation in allocating and receiving awards or services from HMBANA (i.e. research, grants, honorariums, accreditation, etc.)
 - f. Hiring of relatives; nepotism.
3. Personal Gain
 - a. Access to information including financial supporters, health care providers or other materials and lists that could be leveraged for personal, private, or business solicitation.
 - b. Using HMBANA's time, personnel, equipment, supplies, or good will for other than HMBANA approved activities, programs, and purposes.
 - c. Receiving personal gifts, gratuities, entertainment, or loans. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.
 - d. Use of HMBANA proprietary, inside, or confidential information, internal access, or relationships for advantage or to further private business or personal interest (examples may include start-up companies, authorship, research, leveraged discounts, consulting agreements, etc.)

Section 4. Interpretation of This Statement of Policy:

The areas of conflicting interest listed in Section 3 are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the responsible person will recognize such areas and relation by analogy.

The fact that one of the interests described exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily averse to the interests of HMBANA.

However, it is the policy of the board that the existence of or potential for any of the interests shall be disclosed before any transaction is consummated. It shall be the continuing obligation of the responsible person to immediately disclose and the board of directors to scrutinize such disclosures for potential conflicts.

Section 5. Disclosure:

It is the policy of HMBANA that interested individuals and parties have a duty to disclose any actual or possible conflict. Participation in decision making and transactions in situations with a real or possible conflicting interest may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The conflict is identified and disclosed in advance or at the earliest possible moment;
3. The person with the conflict of interest is excluded from the consideration of such discussions, decisions, and transactions;
4. A competitive bid or comparable valuation exists;
5. The board or a duly constituted committee thereof has determined that the decision or transaction is in the best interest of the organization; AND
6. The evaluation of the conflict of interest is documented along with the decision-making process.

Sources Reviewed

- [Nonprofit Quarterly](#)
- [National Council of Non-Profits](#)
- [Blue Avocado](#)
- [Kresge Foundation](#)
- [Give an Hour](#)
- [End Violence Against Women International](#)