

Lighthouse Youth Services, Inc.
Conflict of Interest Disclosure

As a Board member of Lighthouse Youth Services, Inc. d/b/a Lighthouse Youth & Family Services (Lighthouse), I hereby confirm pursuant to the Conflict of Interest Policy (Policy) that I:

1. Have received a copy of and have read and understand the Policy, and have complied with the Policy by disclosing any outside financial or personal interests of myself or family members which may pose a potential conflict of interest to Lighthouse. See below.
2. Have disclosed any personal interest in any matter pending before Lighthouse and abstained from voting in any decision on such matters.
3. Have refrained from (a) disclosing confidential Lighthouse information to any outside individuals or organizations and (b) using Lighthouse mailing lists for personal or private solicitation purposes.
4. Understand the Agency is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I further disclose:

_____ that I (or my family members) serve Lighthouse, or any of its Affiliates, as a Board member, Committee member, consultant, or key employee, and have the following personal or financial interests which may present a potential conflict of interest with Lighthouse. Please describe:

_____ that I have no personal or financial interests that could be a conflict of interest with Lighthouse.

Signature

Date

Printed Name

This report shall be signed and kept on file in the Lighthouse administrative office.

***Your Disclosure Statement must be signed and received annually
by Lighthouse at or by the date of the Annual Board Meeting***

LIGHTHOUSE YOUTH SERVICES, INC.

Conflict of Interest Policy

Article I

Purpose

The purpose of the conflict of interest policy is to protect the interest of Lighthouse Youth Services, Inc. d/b/a Lighthouse Youth & Family Services (the “Agency”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, trustee or member of a committee with governing board delegated powers of the Agency or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

A. Interested Person

Any officer, trustee or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Agency has a transaction or arrangement;
2. A compensation arrangement with the Agency or with any entity or individual with which the Agency has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Agency is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III **Procedures**

A. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement. This disclosure shall be made annually on the Conflict of Interest and Confidentiality Disclosure form attached hereto, and more frequently as necessary when the Agency is considering a specific transaction that could be impacted by a potential conflict of interest.

B. Determining Whether a Conflict of Interest Exists

1. The following procedure shall apply for a specific transaction contemplated by the Agency: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining disinterested board or committee members shall decide if a conflict of interest exists.
2. For routine annual disclosures, the Audit Committee shall review all Conflict of Interest forms and determine if any conflict of interest exists that would prohibit service on a board or committee, or take any other appropriate action.

C. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the governing board or committee shall determine whether the Agency can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
5. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Agency's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy

1. If the governing board or committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
2. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V Compensation

1. A trustee of the governing board who receives compensation, directly or indirectly, from the Agency for services is precluded from voting on matters pertaining to that trustee's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Agency for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Agency, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Confidentiality

The revelation or use of any confidential information, data on decisions, plans or any other information that might be contrary to the interests of the Agency without prior authorization is prohibited.

Each trustee and committee member shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of the Agency. Furthermore, each trustee and committee member is prohibited from disclosing or using information relating to the business of the Agency for the personal profit or advantage of the trustee or any family member or related entity.

Article VII

Annual Statements

Each officer, trustee and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy, including the disclosure of any existing relationships which may pose a conflict of interest for such person; and
4. Understands the Agency is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VIII

Periodic Reviews

To ensure the Agency operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with other corporations conform to the Agency's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

3. Whether any change to this Conflict of Interest Policy is warranted. Any changes to this policy shall be communicated promptly to all officers, trustees and committee members with governing board delegated powers.

Article IX
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VIII, the Agency may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.