

NAMI Massachusetts Board of Directors 10/3/09

1. Confidentiality Statement

Confidentiality is a hallmark of professionalism. NAMI employees and board members:

Ensure that all information that is confidential or privileged or that is not publicly available is not disclosed inappropriately.

Ensure that all nonpublic information about other persons or firms acquired by NAMI personnel in dealing with outside firms on behalf of NAMI is treated as confidential and not disclosed.

2. Confidentiality Policy

It is the policy of NAMI that board members and employees of NAMI may not disclose, divulge, or make accessible confidential information belonging to, or obtained through their affiliation with NAMI to any person, including relatives, friends and business and professional associates, other than to persons who have a legitimate need for such information and to whom NAMI has authorized disclosure. Board members and employees shall use confidential information solely for the purpose of performing services as a board member or employee for NAMI. This policy is not intended to prevent disclosure where disclosure is required by law.

Board members and employees must exercise good judgment and care at all times to avoid unauthorized or improper disclosures of confidential information. Conversations in public places, such as restaurants, elevators, and airplanes, should be limited to matters that do not pertain to information of a sensitive or confidential nature. In addition, board members and employees should be sensitive to the risk of inadvertent disclosure and should for example, refrain from leaving confidential information on desks or otherwise in plain view and refrain from the use of speakerphones to discuss confidential information if the conversation could be heard by unauthorized persons.

At the end of a board member's term in office or upon the termination of an employee's employment, he or she shall return, at the request of NAMI, all documents, papers, and other materials, regardless of medium, that may contain or be derived from confidential information in his or her possession.

3. Ethics Policy

We, as NAMI professionals (staff and board members), dedicate ourselves to carrying out the mission of this organization. We will do the following:

- Recognize that the chief function of NAMI at all times is to serve the best interests of our constituency.
- Accept as a personal duty the responsibility to keep up to date on emerging issues and to conduct ourselves with professional competence, fairness, impartiality, efficiency, and effectiveness.
- Respect the structure and responsibilities of the board, provide them with facts and advice as a basis for their making policy decisions, and uphold and implement policies adopted by the board.
- Keep the NAMI community informed about issues affecting it.
- Conduct our organizational and operational duties with positive leadership exemplified by open communication, creativity, dedication, and compassion.
- Exercise whatever discretionary authority we have under the law to carry out the mission of the organization.
- Serve with respect, concern, courtesy, and responsiveness in carrying out the organization's mission.
- Demonstrate the highest standards of personal integrity, truthfulness, honesty, and fortitude in all our activities in order to inspire confidence and trust in our activities.
- Avoid any interest or activity that is in conflict with the conduct of our official duties.
- Respect and protect privileged information to which we have access in the course of our official duties.
- Strive for personal and professional excellence and encourage the professional developments of others.
- To collaborate with and support other professionals in carrying out NAMI's mission.

4. Code of Ethics for the Board

The following code of ethics was adopted by the board and sets forth the standards the board expects from its members.

- To become familiar with and committed to the major responsibilities of a governing board
 - Setting mission and purposes
 - Appointing the chief executive
 - Supporting the chief executive

- Monitoring the chief executive's performance
 - Assessing Board performance
 - Insisting on strategic planning
 - Reviewing educational and public-service programs
 - Ensuring adequate resources
 - Ensuring good management
 - Preserving institutional independence
 - Relating to the community
- To support NAMI Mass fund-raising efforts through personal giving in accordance with one's means (to both annual funds and capital drives), and to be willing to share in the solicitation of others.
- To devote time to learn how NAMI Mass functions—its uniqueness, strengths, and needs, its place in the industry.
- To carefully prepare for, regularly attend, and actively participate in board meetings and committee assignments.
- To accept and abide by the legal and fiscal responsibilities of the board as specified by institutional charter, bylaws, and state statutes and regulations.
- To vote according to one's individual conviction, to challenge the judgment of others when necessary, yet to be willing to support the decision of the board and work with fellow board members in a spirit of cooperation. To recognize that the board chair alone speaks for the board.
- To maintain the confidential nature of board deliberations and to avoid acting as spokesperson for the entire board unless specifically authorized to do so.
- To understand the role of the board as a policy-making body and to avoid participation in administration policy.
- To learn and consistently to use designated institutional channels when conducting board business (e.g., responding to staff and volunteer grievances, responding to inquiries concerning the status of a chief executive search, etc.)
- To comply with conflict-of-interest policy and disclosure developed by the board.
- To refrain from actions and involvement that might prove embarrassing to the institution and to resign if such actions or involvement develop.
- To make judgments always on the basis of what is best for the organization as a whole.

No Board members may represent themselves as speaking on behalf of NAMI to any group or organization without the President's authorization. When a board member speaks on behalf of NAMI, any honoraria shall be paid to NAMI.¹

5. Conflict of Interest Statement

Employees and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which NAMI Mass wishes its business to operate.

An actual or potential conflict of interest occurs when a board member is in a position to influence a decision that may result in a personal gain for the board member or for a relative as a result of NAMI's business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the board member is similar to that of persons who are related by blood or marriage.

If a board member has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she discloses to an officer of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee, board member, or relative has a significant ownership in a firm with which NAMI does business, but also when an employee, board member, or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction of business dealings involving NAMI.

6. Reason for the Statement

NAMI Mass, as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the IRS, as well as state corporate and tax officials, view the operations of NAMI Mass as a public trust that is subject to scrutiny by and accountability to such governmental authorities as well as to members of the public.

Consequently, there exists between NAMI and its board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of NAMI honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of NAMI. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their

positions with NAMI or knowledge gained therefrom for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

i. Persons Concerned

This statement is directed not only to board members and officers, but to all employees who can influence the actions of NAMI. For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning NAMI.

ii. Nature of Conflicting Interests

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in Section 3. Such an interest might arise through:

- Owning stock or holding debt or other proprietary interests in any third party dealing with NAMI
- Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) in any third party dealing with NAMI Mass.
- Receiving remuneration for services with respect to individual transactions involving NAMI Mass.
- Using NAMI Mass' time, personnel, equipment, supplies, or good will for other than NAMI approved activities, programs, and purposes
- Receiving personal gifts or loans from third parties dealing with NAMI. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without courtesy. No personal gift of money should ever be accepted.

iii. Disclosure Policy Procedure

Disclosure should be made according to the NAMI standards. Transactions with related parties may be undertaken only if all of the following are observed:

- A material transaction is fully disclosed in the audited financial statements of the organization;
- The related party is excluded from the discussion and approval of such transaction;
- A competitive bid or comparable valuation exists; and
- The organization's board has acted upon and demonstrated that the transaction is in the best interest of the organization.

Disclosure involving directors should be made to the board chair, who shall bring these matters, if material, to the board.

The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to NAMI. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of NAMI and the advancement of its purpose.

iv. Recusal

Board members with a potential conflict of interest shall recuse themselves provided that the Board by majority vote may waive such conflict².
