

**SDSMA
CODE OF CONDUCT**

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Introduction

It is the objective of the South Dakota State Medical Association (the Association – which includes all subsidiaries) to develop and maintain a culture of honesty and integrity. This will be achieved through the training of all employees, Executive Officers and Council of Physician Members (Covered Parties) in the purpose and requirements of the Code of Conduct (the Code), the adherence to the Code by each employee, Officer and Councilor and consistent enforcement of the Code. Critical to maintaining a culture of honesty and ethical behavior, is the necessity for management, Officers and Councilors to demonstrate ethical behavior through their actions. They must lead by example. This sets the “tone at the top” and helps to demonstrate the expectations for the staff. It is not enough for management, Officers and Councilors to behave ethically. They must also communicate their expectations for ethical behavior to staff. Following this, management, Officers and Councilors must demonstrate through their actions that unethical behavior and dishonesty will not be tolerated, regardless of an individual’s position in the Association, or the benefit to the Association derived by the action.

The Association will uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. To help accomplish this, the Code serves to:

- Emphasize the Association’s commitment to ethics and compliance with the law.
- Set forth basic standards of ethical and legal behavior.
- Provide reporting mechanisms for known or suspected ethical or legal violations.
- Help prevent and detect wrongdoing.

This Code serves only as a rough guide given the complexity of ethical questions that may arise. If a Covered Party is confronted with an ethically ambiguous situation, the individual should seek advice from their supervisor, manager or other appropriate personnel to ensure that all actions they take on behalf of the Association adhere to the commitment to honesty and ethical behavior.

Ethical Standards to Observe

1. Covered Parties Conduct

Covered Parties shall behave honestly and ethically in all Association matters. They shall observe all applicable governmental laws, rules and regulations at all levels of government, as well as any special requirements associated with governmental grants, contracts or transactions. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating competitors, suppliers, customers, and colleagues in an ethical manner. Improperly obtaining or possessing proprietary information without the owner's consent, is prohibited (e.g. misappropriating company software, inappropriately using or possessing the Society’s or vendors’ proprietary information, etc.). No Covered Party should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

2. Conflicts of Interest

A conflict of interest exists when a person's private interest interferes in any way with the interests of the Association. Conflicts of interest may also arise when a Covered Party, or members of his or her family, receives improper personal benefits as a result of his or her position at the Society.

The Association expects all Covered Parties to perform their duties conscientiously, honestly, and in accordance with the best interests of the Association. No member of the staff, Executive Committee or Council of Physicians shall use any information provided by the Association or acquired as a consequence of their service to the Association in any manner other than in furtherance of his or her duties.

Regardless of the circumstances, if a Covered Party senses that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may create a conflict of interest with the Association, they should immediately communicate all the facts in accordance to the SDSMA Conflict of Interest and Disclosure policy and statement. Any Covered Party who becomes aware of a conflict or potential conflict shall immediately follow the guidance in the Code section –

Violations of Ethical Standards.

3. Outside Activities and Employment

All Covered Parties share responsibility for the Association's good public relations. Covered Parties' readiness to help with religious, charitable, educational, and civic activities brings credit to the Association and is encouraged. However, Covered Parties must avoid acquiring any business interest or participating in any other activity outside the Association that would, or would appear to:

- Create an excessive demand upon their time and attention, thus depriving the Association of their best efforts on the job.
- Create a conflict of interest, an obligation, interest, or distraction that may interfere with the independent exercise of judgment in the Association's best interest.

4. Gifts and Entertainment

The intent of business entertainment and gifts in a commercial setting is to create good will and facilitate sound working relationships. It is not to gain unfair advantage with suppliers, customers, or other organizations. No gift or entertainment should ever be offered or accepted by a Covered Party or any immediate family member (e.g. spouse, child, parent, sibling, in-law) of a Covered Party, if it could in any way, inappropriately influence, or appear to inappropriately influence, business decisions in favor of any person or organization with whom or with which the Association has or is likely to have, business dealings.

Additionally, the entertainment or gift:

- Should be consistent with customary business practices;
- Should not be excessive in value;
- Should not be construed as a kickback, bribe, secret commission or payoff; and
- Should not violate any laws or regulations.

Covered Parties should discuss and or disclose with their supervisor, manager, the Chief Financial Officer (CEO), or any member of the Council of Physicians, as is necessary, any gifts or proposed gifts, which they think, may be inappropriate. The offer or acceptance of cash gifts by any Covered Party is strictly prohibited.

5. *Confidentiality*

Covered Parties must preserve and protect information entrusted to them that is confidential, except when disclosure is authorized by the SDSMA Council of Physicians, legal counsel, or is required by laws or regulations. Confidential information may include written or oral information that is not public, designated as confidential or information that Covered Parties know or should know is confidential. Confidential information may be generated by the Association or may be information that is entrusted to the Association by employees, suppliers or customers. The obligation to preserve the confidentiality of such information exists during the term of office and or employment and continues after term of office and or employment ends, irrespective of whether the term ended voluntarily or involuntarily. When handling financial and personal information about employees, members or others with whom the Association has dealings, the following principles must be observed:

- Only the personal information necessary for the Association's business should be collected, used or retained. Whenever possible, obtain this information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
- Retain information only for as long as necessary or as required by law. Physically secure this information.
- Limit internal access to and use of personal information to those with a legitimate business reason for seeking that information, and for the purposes for which it was originally obtained.

6. *Safeguarding and Use of Company Assets*

All Covered Parties should protect the Association's assets and ensure their efficient use. When a Covered Party's position requires spending Association funds or incurring any reimbursable personal expenses, that individual must use good judgment on the Association's behalf to ensure that good value is received for the expenditure.

Association funds and all other assets of the organization are for Association purposes only, and not for personal benefit. This includes the personal use of Association's assets. The Association's equipment should not be used for non-SDSMA business, though incidental personal use is permitted for computers, copiers and local telephone. Guidelines for SDSMA employees are outlined in the SDSMA Employee Handbook.

The protection of the Association's assets includes its proprietary information. Proprietary information includes intellectual property such as trademarks, copyrights, business, marketing and service plans, databases, records, salary information and any unpublished data and reports. Unauthorized use or distribution of this information would violate SDSMA policy.

If a Covered Party becomes aware of any suspected incident of fraud or theft, or evidence of fraud and dishonesty, they shall immediately follow the guidance in the Code section – **Violations of Ethical Standards**.

7. *Timely and Complete Communications*

In all matters relevant to customers, suppliers, government authorities, the public and others in the Association, all Covered Parties must make every effort to achieve complete, accurate, timely and understandable communications responding promptly and courteously to all proper requests for information and to all complaints. Where applicable, these Covered Parties shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal, falsify information, misrepresent, or omit material facts that might cause the Association's independent accountants, the public or members to be misled.

When communicating publicly on matters that involve SDSMA business and or position, Covered Parties must not presume to speak for the Association on any topic, unless they are certain that the views they express are those of the SDSMA, and it is the SDSMA's desire that such views be publicly disseminated. Additionally, when dealing with anyone outside the Association, including public officials, Covered Parties must take care not to compromise the integrity or damage the reputation of either the SDSMA, or any outside individual, business, or government body.

8. *Society Records*

Accurate and reliable records of many kinds are necessary to meet the SDSMA's legal and financial obligations and to manage the affairs of the Association. The SDSMA's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both, in a timely manner, and must exercise diligence in enforcing these requirements.

Covered Parties must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements.
- False advertising, deceptive marketing practices, or other misleading representations.

Any Covered Party, who has knowledge of a violation or potential violation of the previous requirements, shall immediately follow the guidance in the Code section – **Violations of Ethical Standards.**

Violations of Ethical Standards

1. *Reporting Suspected Violations of Ethical Standards*

Any Covered Party who has knowledge of a violation or potential violation of this Code, shall promptly disclose this information to their supervisor, manager, the CEO, Executive Committee or any member of the SDSMA Council of Physicians, as is necessary. A notified Councilor, supervisor or manager, shall forward the issue on to the CEO and/or Executive Committee for further investigation. The CEO and /or

Executive Committee will review the suspected violation in accordance with the SDSMA Whistleblower policy.

Whistle-Blower Protection - No retaliatory action of any kind (including, but not limited to, firing, demotion, suspension, harassment, failure to consider for promotion, or any other kind of discrimination) will be permitted against anyone making such a report in good faith. The SDSMA will strictly enforce this prohibition. Covered Parties violating this policy may be disciplined with penalties up to and including removal from office or termination of employment.

2. *Accountability for Violations.*

If the CEO, the Executive Committee or its designee determines that this Code has been violated, either by direct action, by failure to promptly report a violation, by requesting others to violate this policy, or by withholding information related to a violation, the offending Covered Party may be disciplined for non-compliance, with penalties up to and including removal from office or termination of employment. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Executive Committee, demotion or re-assignment of the individual involved and suspension with or without pay or benefits. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending Covered Party and the SDSMA. All Covered Parties are expected to cooperate fully in internal or external investigations of misconduct.

Your personal commitment

The SDSMA asks Covered Parties to periodically acknowledge their commitment to the spirit and letter of the SDSMA Code of Conduct. This is done by requiring all newly hired, elected or appointed Covered Parties, to sign the following “Personal Commitment to Integrity.”

Personal Commitment to Integrity:

I acknowledge that I have received the SDSMA Code of Conduct. I understand that every employee, Officer and Director is required to comply with the policies described in the Code of Conduct. When I have a concern about a possible violation of SDSMA policy, I will raise the concern as directed in the Code of Conduct.

Signature