



Local Policies – Administration and Governance

Conflict of Interest

Effective Date

4/22/2021

Policy

CODE OF CONDUCT

The following standards shall apply for the members of the Board, committees, staff, recipients, sub-recipients, contractors, and partners:

1. Adherence to the conflict-of-interest policies.
2. Adherence to procurement procedures that serve to minimize the appearance of conflicts, in addition to eliminating actual conflicts. Members who represent the One Stop Operator, Partners or actual or potential Service Providers and who serve on committees that oversee the One Stop System or the allocation of resources that would potentially be allocated to their programs shall refrain from discussing or voting on any matter that would financially impact the programs they represent.
3. Any Member that develops or drafts specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. To avoid potential conflicts as circumstances change, Members whose employers may wish to participate in a future procurement will refrain from involvement in specification development or procurement processes.
4. It is the policy of the Board to discourage ex parte communications with any Board Member or any other person serving as an evaluator during the Request for Proposal (RFP) process. A Board Member or evaluator will not solicit nor receive any oral consideration. Any written communication to a Board Member or evaluator from potential contractors will be distributed to all Board Members by the Executive Director or his or her designee. Potential contractors who attempt to improperly influence the process will receive adverse scores. Any and all written communications should be provided to staff to be distributed to Board Members. Any other communication should be rejected by Members.
5. It shall be the policy of the Board that individual Members cannot commit the Board; rather, only the action by the Board, or the authorized actions of the Board Executive Committee, can constitute Board commitments.

ETHICAL PRINCIPLES

It is the Board's policy to be knowledgeable of, and comply with, all applicable federal and state laws and regulations in a manner that will reflect a high standard of ethics. Compliance does not comprise one's



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entire ethical responsibility; rather it is a minimum, and an essential condition for adherence to mission and duties.

It is the Board's policy that its representatives be knowledgeable of emerging issues and professional standards in the field and conduct themselves with professional competence, fairness, efficiency, and effectiveness.

CONFLICT OF INTEREST

It is the policy and expectation of the Board that its members will fulfill the fiduciary duties applicable to their service. Due to the legal and statutory structures of the Board, it is expected that conflicts of interest will arise, and this policy is intended to provide a framework that will allow the work of the Board to be achieved without the fact of or appearance of impropriety. The Board and all other agencies receiving direct financial assistance through WIOA shall avoid conflict of interest, real or apparent, by observing the following requirements:

1. Each grant recipient and subrecipient must maintain a written code of standards or conduct governing the performance of persons engaged in the award and administration of WIOA contracts and sub grants.
2. No individual in a decision-making capacity shall engage in any activity if a conflict of interest (real, implied, apparent, or potential) is involved. This includes decisions involving the selection, award, or administration of a sub grant or contract supported by Workforce Innovation and Opportunity Act (WIOA) or any other federal funds.
3. A Board member or a member of a Board committee cannot cast a vote or participate in any decision-making about providing services by such member (or by any organization that member directly represents) or on any matter that would provide any direct financial benefit to the member or to the member's organization.
4. Before any public discussions regarding the release of a Request for Proposal (RFP), or any matter regarding the release of funding or the provision of services, a Board Member or a member of a Board Committee must disclose any real, implied, apparent, or potential conflicts of interest before engaging in the discussion. The minutes of the meeting must reflect the disclosure.
5. Board and Committee Members or a member of agents of the organizations making awards cannot solicit or accept gratuities, favors, or anything of monetary value from awardees, potential awardees, or other parties to agreements.
6. Disciplinary actions may be taken up to and including termination of board membership for violation of this policy by any individual. The Executive Committee to the Board may evaluate any violations of these provisions on a case-by-case basis and recommend to the CEOs, if and what penalties, sanctions or other disciplinary action are appropriate.



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7. Individuals shall not use for their personal gain, for the gain of others, or for other than officially designated purposes, any information obtained as a result of their committee, board or working relationships with the Board where that information is not available to the public at large or divulge such information in advance of the time decided by the Board for its release.
8. One Stop Operators must disclose any potential conflicts of interest arising from relationships with other service providers.
9. Any organization that has been selected or otherwise designated to perform more than one function related to WIOA must develop a written plan that clarifies how the organization will carry out its multiple responsibilities while demonstrating compliance with WIOA, corresponding regulations, relevant Office of Management and Budget circulars, and this Policy. This plan must limit conflict of interest or the appearance of conflict of interest, minimize fiscal risk, and develop appropriate firewalls within that single entity performing multiple functions. The plan must be agreed to by the Board.
10. Membership on the Board or being a recipient of WIOA funds to provide training or other services, is not itself a violation of conflict-of-interest provisions of WIOA or corresponding regulations.
11. Each Member shall sign a Conflict of Interest Attestation denoting that the Conflict of Interest Policies have been read, are understood, and that the Member pledges to conduct him/herself in accordance with such policies and procedures during their service to the Board.

Disclosure

1. Any member that has, or believes he or she has, a conflict of interest must disclose such potential conflict in accordance with the procedures established by the Board in this policy and shall do so in writing on a prescribed form. The following are deemed conflicts of interest that create a duty of member to fully disclose such interest immediately:
 - a. If member has a significant personal financial interest in a proposed transaction involving the Board.
 - b. If member is employed, or is a Trustee, Director, Officer or Member of any individual, organization, or entity that shall have a direct or indirect financial interest in a proposed transaction involving the Board.
 - c. If a Member represents a third party either through personal, professional, or confidential relationship and such party shall have a financial interest in a proposed transaction involving the Board.
 - d. No Member shall participate in the selection, award or administration of a procurement supported by WIOA funds where, to the individual's knowledge, any of the following has a financial or substantial interest in any organization which may be considered for award:
 - i. the officer, employee, agent or Board Member;
 - ii. any Member of his or her immediate family;
 - iii. his or her partner, or;
 - iv. a person or organization which employs, or is about to employ, any of the above.



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2. In accordance with 20 CFR 683.200(c)(5)(i) “...a State WDB member, Local WDB Member, or standing committee member must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or that Member’s immediate family.”
3. In the event that a Board Member has an interest, directly or indirectly, in a business entity that would have a direct financial effect due to any official action taken by the Board, the Member shall declare, before a vote or discussion on the matter, the nature and extent of the interest and shall not voluntarily discuss the proposed Board action. Any such member shall recuse him or herself from participation prior to the official vote. This limitation on discussion shall not prohibit the Member from providing factual information in response to direct questions concerning the matter from other Members. The disclosure shall be reflected in the minutes of the meeting.
4. If an award of funding is made with a Member violating the requirements of this policy, the Board is empowered to immediately suspend the obligation; the suspension is subject to review at the next regular or special meeting of the Board. The balance of the Board, excluding the Member(s) with potential conflict, will then determine what final corrective actions are necessary. Actions will be taken in accordance with this Conflict of Interest Policy, and could include removal of the Member, suspension of the obligation, termination of the obligation, or civil action to recover any monetary damages.
5. This policy is not meant to necessarily rule out transactions between the Board and other persons or entities where an interest or a relationship between the Member and such a person or entity exists. This policy does, however, require proper disclosure and documentation of such relationships so that all decisions regarding these possible transactions are made in the best interest of the Board. As stated in 20 CFR Section 683.200(c)(5)(ii) “Neither membership on the State WDB, the Local WDB, or an LWDB standing committee, nor the receipt of WIOA funds to provide training and related services, by itself, violates the conflict-of-interest provisions.”
6. Nothing in this policy should be construed to prevent any Member’s participation in WIOA programs. Board membership should not result in an employer receiving any more or any less consideration for trainees. What is important is to ensure that the officer, employee, agent, or Member does not approve his/her own training package, or contract for services, but that the system of approval allows for objective determinations.

DISCLAIMER

This policy is based on the Board’s interpretation of the statute, along with the Workforce Innovation and Opportunity Act; Final Rule released by the U.S. Department of Labor and federal and state policies relating to WIOA implementation. This policy will be reviewed and updated based on any additional federal and state guidelines.