



## NEMO WORKFORCE DEVELOPMENT BOARD

# Conflict of Interest/Code of Conduct Policy

**Issuance No.: 18-2020**

**Issuance Date: July 1, 2020**

### A. CONFLICT OF INTEREST POLICY AND PROCEDURE

**Statement of Policy:** *It is the policy and expectation of the Northeast Workforce Development Board (NEMO WDB) that its Members will fulfill the fiduciary duties applicable to their service as Members of the NEMO WDB. Due to the legal and statutory structures of the NEMO WDB, 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 NEMO WDB to be achieved without the fact of or appearance of impropriety. **Where this document references “Member” it shall mean any agent, WDB employee, WIOA subcontractor employee, officer, Committee Member, Ex-Officio, non-voting Member and Board Member.** The NEMO WDB and all other agencies receiving direct financial assistance through the Workforce Innovation and Opportunity Act (WIOA) in the Northeast Missouri region shall avoid conflict of interest, real or apparent, by observing the following requirements:*

1. NEMO WDB is required under state law and the federal Workforce Innovation and Opportunity Act of 2014 (WIOA) to have policies to address conflicts of interest. The fiduciary duties of Members under state law and the WIOA include, without limitation, a continuing responsibility to comply with conflicts-of-interest principles
2. Each Member shall sign an Attestation denoting that the Conflict of Interest and Code of Conduct 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.
3. Each Member must also provide a disclosure of potential conflicts created by his or her position(s) outside of their service to the NEMO WDB. Such conflicts are detailed on the Disclosure of Conflict(s) of Interest form.
4. No Member shall use his or her position, or the knowledge obtained from his or her position, in such a manner that conflicts with the interest of the NEMO WDB or results in personal gain to the Member, or a third party that the Member is employed by, has a fiduciary relationship with, or to whom the Member provides services.
5. 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 NEMO WDB in this policy and shall do so in writing on the attached form. In accordance with WIOA Section 107 (h) *“A member of a local board, or a member of a standing committee, may not— (1) vote on a matter under consideration by the local board— (A) regarding the provision of services by such member (or by an entity that such member represents); or (B) that would provide direct financial benefit to such member or the immediate family*

*of such member; or (2) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan. “*

The following are deemed conflicts of interest that create a duty of the Member to fully disclose such interest immediately:

i. If Member has a significant personal financial interest in a proposed transaction involving the NEMO WDB.

ii. If Member is employed by, or is Trustee, Director, or Officer of any individual, organization or entity that shall have a financial interest in a proposed transaction involving the NEMO WDB.

iii. 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 NEMO WDB.

iv. No Member shall solicit or accept gratuities or favors from suppliers or potential suppliers, including subcontractors.

v. 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:

a. the Member is a vendor for the goods or services;

b. the Member is a subcontractor of a vendor for the goods or services;

c. the Members serves in a board capacity for any such vendors or subcontractors.

d. the Member is from an organization which employs, or is about to employ, any of the above.

6. In the event that a NEMO WDB Member has an interest, directly or indirectly, in a business entity that would have a direct fiscal effect due to any official action taken by the NEMO WDB, 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 NEMO WDB action. A Member shall not be excluded from the meeting following such declaration. Furthermore, 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 of the NEMO WDB.

7. If an award of funding is made with a Member violating the requirements of this procedure, the NEMO WDB Executive Committee is empowered to immediately suspend the obligation; subject to review at the next regular or special meeting of the NEMO WDB. The balance of the Board, excluding the Member(s) with potential conflict, will then determine what final corrective actions are necessary; actions that could include removal of the Member, suspension of the obligation, termination of the obligation, or civil action to recover any monetary damages.

8. This policy is not meant to rule out transactions between the NEMO WDB and other persons or entities where an interest or a relationship between the Member and such a person or entity exists, which require proper disclosure and which are documented as being the outcome of established Procurement Policies, and are determined to be in the best interest of the NEMO WDB.

9. Nothing in this policy should be construed to prevent any Member's participation in WIOA programs. NEMO WDB membership should not result in an employer receiving any more or any less consideration for trainees. What is important is to insure that the officer, employee, agent or NEMO WDB Member does not approve his/her own training package, or contract for services, but that the system of approval allows for objective determinations.

## **B. CODE OF CONDUCT**

A written set of standards (Code of Conduct) governing the performance of the WDB and its employees, officers, or agents related to real or apparent conflicts of interest is a requirement (29 CFR 95.42). The following standards shall apply for the WDB, its employees and its Youth Council Members:

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 One Stop Operators, 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 impact the programs they represent.

3. A Member's employer may not participate in any way in a future bid on procurement where the Member helped to draft specifications. In order 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. A Member shall not become a recipient, directly or indirectly, of any salary payments or loans or gifts or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the NEMO WDB, except a disclosed token gift of a value within applicable Federally allowable maximums that must be approved by the Executive Committee.

# NEMO WORKFORCE DEVELOPMENT BOARD

## CONFLICT OF INTEREST POLICY

### Article I: Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of **NEMO Workforce Development Board** (the "Organization") and to protect the Organization's interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of a director, a corporate officer, the top management or top financial official, a key employee (defined below).

### Article II: Definitions

The following are considered *insiders* for the purposes of this policy:

- 1) Each member of the Board of Directors or other governing body (CLEOs)
- 2) The President, Chief Executive Officer, or any person with the responsibilities of any of these positions.
- 3) Any **key employee**, meaning an employee whose total annual compensation (including benefits) from the organization and its affiliates is more than \$150,000, **and** who
  - a. Has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or**
  - b. Manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or**
  - c. Has or shares authority to control 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.

*Interest* means any material financial interest, whether through commitment, investment, relationship, obligation, involvement or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the Organization, a sale, loan, or exchange transaction with the Organization.

A *conflict of interest* is present when, in the judgment of the body or individual determining whether a conflict exists, an insider or person related to the insider by family or business relationship ("interested person") has a material financial interest in the transaction such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the Organization.

*Transaction* means any transaction, agreement, or arrangement between an interested person and the Organization, or between the Organization and any third party where an interested person has a material financial interest in the transaction or any party to it.

### **Article III: Procedures**

#### 1) Duty to Disclose

Each interested person shall disclose to the Board all material facts regarding his, her, or its interest (including relevant affiliations) in the transaction. The interested person shall make that disclosure promptly upon learning of the proposed transaction.

#### 2) Determining Whether a Conflict of Interest Exists

With regard to an interested person, the Board shall determine if a conflict of interest exists.

#### 3) Procedures for Addressing a Conflict of Interest

The Board shall follow the procedures set forth in Article IV in order to decide what measures are needed to protect the Organization's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an insider who is a director, the director shall not vote on any transaction in which the director has an interest, and the remaining Board members shall decide the matter.

### **Article IV: Review by the Board**

The Board may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), and may deliberate and vote on the transaction in their presence. The Board shall ascertain that all material facts regarding the transaction and the interested person's conflict of interest have been disclosed to the Board and shall compile appropriate data to ascertain whether the proposed transaction is just and reasonable to the Organization.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in the Organization's best interest, for its own benefit, and whether it is just and reasonable to the Organization; the transaction can be approved by the Board by majority vote of those present at a meeting for which quorum requirements have been met, without counting the vote of any interested directors. Interested or common directors may be counted in determining the presence of a quorum at such meeting.

## **Article V: Records of Proceedings**

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each interested person who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Board who were present during the debate on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

## **Article VI: Annual Disclosure and Compliance Statements**

Each director, each corporate officer, the top management official, the top financial official, and each key employee of the Organization, shall annually sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
- discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

## **Article VII: Violations**

If the Board has reasonable cause to believe that an insider of the Organization has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Board determines that the insider has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

## **Article VIII: Annual Reviews**

To ensure that the Organization operates in a manner consistent with its status as an organization exempt from federal income tax, the Board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

# NEMO Workforce Development Board

## CONFLICT OF INTEREST POLICY: ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT

Our organization follows a conflict of interest policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering into a transaction or arrangement that might benefit the private interest of a director, a corporate officer, our top management official and top financial official, any of our key employees, or other interested persons.

### Part I. Acknowledgment of Receipt

I hereby acknowledge that I have received a copy of the conflict of interest policy of **NEMO Workforce Development Board**, have read and understood it, and agree to comply with its terms.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

## Part II. Disclosure of Financial Interests

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, we need each officer, director and key employee to disclose the information requested in this Part II.

A “conflict of interest,” for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

**Part II** Please check ONE of the following boxes:

My interests and relationships have not changed since my last disclosure of interests. [Proceed to signature block below. Do not complete the tables.]

**OR**

I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]

Family Relationships	Names of those presenting a potential conflict of interest
Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses/domestic partners of brothers, sisters, children, grandchildren, and great grandchildren	
Type of interest	Description of interest that could lead to a conflict of interest
Transactions or arrangements with the Organization	
Transactions or affiliations with other nonprofit organizations	
Substantial business or investment holdings	
Transactions or affiliations with above	

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement

Printed Name	Date
Signature	