



Policy and Procedure

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| Title: | Conflict of Interest | Number: | OP 15-03 |
| Effective Date: | November 19, 2015 | Revised: | 7/11/19 |

Purpose

This policy is to ensure that decisions made by the Shenandoah Valley Workforce Development Board, its staff, contractors, sub-grantees, and One Stop center staff are made in the best interest of the Board in reaching its goals.

Reference

- 1 Workforce Innovation and Opportunity Act (WIOA) of 2014, (Pub. L. 113-128)
- 2 WIOA Final Regulations, 20 CFR Part 678 and 679
- 3 Virginia Conflict of Interests Act, Va. Code § 2.2-3100
- 4 Virginia Board of Workforce Development Policy 200-02 Establishment and Membership of LWDBs
- 5 2 CFR § 200.318(c)(1); 2 CFR § 200.112
- 6 USDOL ETA TEGL No. 35-10

Description

This policy is to ensure that operational decisions made by the Shenandoah Valley Workforce Development Board, Inc., and the use or disposition of Board assets and resources, are made solely to benefit the Board's mission and are not influenced by any private or personal benefit to the individuals taking part in the decision making process. In addition to actual conflicts of interest, Board members, staff, contractors, sub-grantees, and One Stop center staff are also obligated to avoid situations which give the appearance of a conflict of interest. Prior guidance, in the form of TEGL 35-10 pertaining to WIOA, is referenced here as valid guidance from DOL in regard to WIOA. Conflict of interest, or its potential, includes actions that benefit, or could appear to benefit, the immediate family of Board members, staff, contractors, sub-grantees, and One Stop center staff. For purposes of this policy, immediate family means wife, husband, son, daughter, mother, father, brother, brother-in-law, sister, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, aunt, uncle, niece, nephew, grandson, granddaughter, grandparent, stepparent, stepchild, or any person residing in the same household.

Conflicts of interest may occur when the Board, staff, contractors, sub-grantees, and One Stop center staff enter into transactions with any type of organization, be it for-profit or non-profit. To preclude these conflicts, individuals must make known their connection with organizations doing business with the Board and must refrain from participation in discussions and in making decisions affecting those transactions. Such relationships do not prohibit such transactions so long as the relationship is clearly divulged, and non-involved individuals affiliated with the Board make the necessary decisions, with no discussion, input, or influence from the individual with the conflict.

Definitions

"Involved in a Board business transaction" means initiating, making the principal recommendation for, or approving a purchase or contract; discussions of the contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; administering contracts or other business transactions; or authorizing or making payments from Board accounts. This includes not only transactions for Board's procurement of goods and services, but also the disposition of Board property, use of Board resources, and the provision of services or space by the Board.

"Conflict of interest" means conflict between the official responsibilities and the private interests of a person or entity that is in a position of trust. A conflict of interest would arise when an individual or organization has a financial or other interest in or participates in the selection or award of funding for an organization. Financial or other interest can be established either through ownership or employment.

A possible conflict is also considered to exist where such a person is (or expects to be) retained as an employee, paid consultant or contractor by an organization which seeks to do business with the Board, and whenever a transaction will entail a payment of money or anything else of value to the official, member, a close relative, or a member of that person's household.

Procedure

Any member of the Board of Directors who may be involved in a Board business transaction in which there is a possible conflict of interest shall promptly notify the Chairman of the Board. The Member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The Member's presence may not be counted in determining the quorum for any vote with respect to a Board business transaction in which they have a possible conflict of interest. Furthermore, the Member shall disclose a possible conflict of interest to the Board Chair and to other members of the Board before any vote on a business transaction. This disclosure shall be recorded in the Board minutes of the meeting at which it is made.

Any staff member, contractors, sub-grantees, and One Stop center staff who may be involved in a Board business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the Chief Executive Officer. If the possible conflict involves the Chief Executive Officer, the possible conflict shall then be reported to the Board Chair.

The Chief Executive Officer or, where applicable, the Board Chair, after receiving information about a possible conflict of interest, shall take such action as is necessary to ensure the transaction is completed in the best interest of the Board without the substantive involvement of the person who has the possible conflict of interest. (This does not prohibit the purchase or other transaction, but dictates that persons other than the one with the possible conflict of interest shall make the decisions involved, without hindrance and or influence.)

A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be maintained by the Chief Executive Officer or, where applicable, the Chairman.

A "possible conflict of interest" exists when a Board member, staff member, contractors, sub-grantees, and One Stop center staff: is a director, officer or employee of a business or a not-for-profit organization which is seeking to do business with the Board or which is engaged in activities which could be construed to be "in competition with" the Board's programs, or; has an interest in an organization which is in competition with a firm seeking to do business with the Board if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest. Board members, staff, contractors, sub-grantees, and One Stop center staff are discouraged from accepting a gift, meal or item of commercial or retail value from any contractor, vendor, or potential contractor or vendor. Board members, staff, contractors, sub-grantees, and One Stop center staff are prohibited from accepting anything valued at more than \$25 or anything which may influence or may be perceived to influence their decision-making process.

This policy statement shall be made available to each Board Member, staff, contractor, sub-grantee, and One Stop center staff who holds a position which regularly involves initiation, review, or approval of significant Board contracts or other commitments. All Board members are required to file a Statement of Economic Interest Disclosure, as specified by the Chief Elected Officials, with the Board as a condition of assuming membership and then annually while serving as a Board member.

Revisions:

July 11, 2019