

**Capital Region Workforce Development Board
WIOA Administrative Policy #AP 101**

Conflict of Interest

References: Virginia Community College Policy Number 20-02, Establishment of Local Workforce Investment Boards

20 CFR Section 679.430 and 20 CFR 667.200 (a)(1) and (4),
Administrative Provisions Under Title I of Workforce Innovation and
Opportunity Act

Purpose

The Workforce Innovation and Opportunity Act (WIOA) Section 117(g), requires that all Workforce Development Boards (WDB) follow standards to prevent situations that may result in any conflict of interest situations.

WDB members are entrusted with the responsibility to carry out the duties assigned to them under the WIOA in an unbiased and fair manner. All decisions rendered by members of the WDB must be based on sound and prudent reasoning, free from any undue influence that could result from any real or perceived material interests that a member may have in such decision making.

Policy

No Board Member shall engage in any activity, including participation in the selection, award or administration of a sub-grant or contract supported by WIOA funds, or any other federal or state funds for projects over which the Board has responsibility, in which the member or an entity that such member represents has a material interest.

Further, members may not use their position to secure benefits, privileges, exemptions or advantages for themselves, for members of their immediate family, or for an organization with which they are associated.

When a Board Member has a personal or professional interest in a proposal or decision pending before the membership, it is incumbent upon that member to disclose such interest to the Chairperson. This disclosure shall be made verbally before the Board for inclusion in the minutes of the meeting.

Following such a disclosure, **that member may not participate in the discussion of the matter in question nor vote on the matter under consideration** by the Board.

If the Board makes a contract or purchase that involves one of its own members, the Board shall provide a written justification to support the terms and conditions of the contract or purchase. Such justification shall include assurances, as appropriate, that the contract or purchase was adequately bid or negotiated and that the terms of the contract, or price of the purchase, were fair and reasonable.

Each Board Member is responsible for determining whether any potential, perceived or actual conflict of interest exists or may arise during his/her service on the Board.

Material Conflict of Interest Actions/Activities

A board member has a conflict of interest if his or her judgment and discretion is or may be influenced by considerations either of personal/professional gain or financial benefit. The following is a partial list of activities or actions that create a material conflict of interest that should be managed appropriately.

- a. Engaging in consulting activities on behalf of the WDB.
- b. The purchase of goods or services from businesses in which the Board member, or his or her family, has a financial interest, or as a result of such purchase, may directly benefit.
- c. An ownership interest of the Board member or the member's family in any real or personal property leased or purchased by the Board.
- d. Receipt of cash, services, or equipment provided in exchange for the Board member's support in any action item or awarding of funds.
- e. Use of information received as a Board member for personal or professional financial gain.
- f. Activities that are in violation of federal, state, or local law, including the offering or acceptance of a bribe or kickback, are strictly prohibited.
- g. Voting on a matter in which the Board member, their employer, or another organization where the Member holds a membership position is the recipient of financial award(s) from funds under the Board's authority.

Members are responsible for reporting such potential or actual conflicts of interest to the Board Chairman as soon as it is discovered that such a condition exists.

Nothing in this policy is intended to nor shall be deemed to limit in any way any actions or remedies permitted by state or local law for conduct constituting a violation of this Conflict of Interest Policy.

Definitions: A person is a member of the immediate family if he/she is related to the Board member (grandparent, parent, children, grandchildren, spouse or in-laws) or is residing in the same household as a member, and who is a dependent of the member or of whom the member is a dependent. The term also applies to any group, entity or organization in which the member or family member has a direct or indirect financial interest or serves as an officer, director, trustee, employee, consultant, advisor or representative (paid or unpaid).

A person is a “dependent” whether or not related by blood or marriage, who receives from the member, or provides to the member, more than one-half of his financial support.

A person is a “Member” of a regulated body if he/she is a member of that body, whether voting or non-voting.

A person has an “economic interest” if that person’s economic or pecuniary interests (direct or indirect) may be affected in any material way by the outcome of the transaction. Economic or pecuniary interests shall include, but not be limited to equity interests, compensation, fees or stipends, royalties, loans and other income or participation rights that offer that person the prospect of financial return.

Effective Date

This policy is effective as of July 1, 2015. **REVISED August 1, 2022.**



Director