

RESOURCE WORKFORCE INVESTMENT BOARD
Management Policy #1

Conflict of Interest

References: Virginia Community College Policy Number 99-2, Establishment of Local Workforce Investment Boards

Public Law 105-220, Workforce Investment Act, Section 111 (f)

Public Law 105-200, Workforce Investment Act, Section 117 (g)

20 CFR 667.200 (a)(1) and (4), Administrative Provisions Under Title I of Workforce Investment Act (WIA)

Purpose

The Workforce Investment Act (the Act), Section 117(g), requires that all Workforce Investment Boards and Youth Councils adopt standards to prevent situations that may result in conflicts of interest between and among their respective memberships.

Resource Workforce Board and Youth Council Members serve the public interest and are entrusted with the responsibility to carry out the duties assigned to them under the Act in an unbiased and fair manner. All decisions rendered by members of the Workforce Board and Youth Council 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.

To insure compliance with the Act and Virginia Community College Policy #99-2, the following standards are adopted and incorporated by reference into the bylaws of the Resource Workforce Investment Board (the Board) and the Resource Youth Council.

Policy

No Board or Youth Council Member shall engage in any activity, including participation in the selection, award or administration of a sub-grant or contract supported by WIA funds, or any other federal or state funds for projects over which the Board/Council 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 or Youth Council Member has a personal 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 or Youth Council 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 and/or Youth Council.

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 and Youth Council Member shall file a **Statement of Economic Interest** and a **Conflict of Interest Policy Acknowledgement** with the Resource's Administrative Staff, as a condition of assuming membership and then, annually while serving as a Board or Youth Council Member.

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

Material Conflict of Interest Actions/Activities

A board or youth council member has a conflict of interest if his or her judgment and discretion is or may be influenced by considerations either of personal 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. Consulting activities on behalf of the Workforce Investment Board or Youth Council.
- b. The purchase of goods or services from businesses in which the Board or Youth Council member, or his or her family, has a financial interest, or as a result of such purchase, may directly benefit.
- c. Receipt of gifts, gratuities, loans, or special favors (including trips or speaker's fees) from those involved in the Resource Workforce Board or Youth Council.
- d. Holding of an ownership interest by the Board or Youth Council member or the member's family in any real or personal property leased or purchased by the Board.
- e. Receipt, directly to the board or Youth Council member of cash, services, or equipment provided for the Board member's support of workforce issues. Use of information received as a Board or Youth Council member for personal purposes.

- 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.

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

Board and/or Youth Council Members who are also members of organizations designated by the Board as part of the One-Stop Operator Team, if such is designated, or organizations that serve as the One-Stop Operator, shall not serve on any committees that deal with oversight of the One-Stop system or the allocation of resources that would potentially be obligated to that member's organization, without providing full disclosure and abstaining from any formal actions or discussions pertaining to areas of potential conflict of interests.

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 or Youth Council 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 shall be effective as of the date it is adopted and approved as an addendum to the Resource Workforce Investment Board's and Youth Council's bylaws, as witnessed by the signature below:

Approved:

March 11, 2010
Date of Board Approval



Deborah S. Wickham, Chair

Resource Workforce Investment Board and Resource Youth Council

Conflict of Interest and Economic Interest

Acknowledgement

I the undersigned, acknowledge the Conflict of Interest policy as a member of the Resource Workforce Investment Board or Resource Youth Council. By my signature below, I am declaring that I will conduct myself within the intent, spirit and letter of the Conflict of Interest Laws, guidelines and by-laws and that I have correctly and accurately declared my economic interest to the best of my ability in response to the question below:

Economic Interest Question:

Have you or any family member had any material interest, direct or indirect, in any transactions to which the Resource Workforce Investment Board or Youth Council was, or is to be a party?

NO

YES, If yes please check your potential conflict category

Vendor/Supplier

One Stop Operator /One Stop Operator Team Member

Other _____

Checking **Yes**, means that you or your organization have been the recipient of a contract or resources from the Resource Workforce Investment Board or Youth Council and that you did not violate the conflict of interest policies during the Workforce Investment Board's or Youth Council's deliberations of the terms of the contract, the determination of specific standards for performance of the contract, the development of Invitations for Bid or Requests for Proposals or other such bid processes leading to a contract or any similar decisions in order to receive direct financial benefit.

PRINT NAME

SIGNATURE

ORGANIZATION REPRESENTED

TITLE

DATE