

Conflict of Interest

Effective Date: 5/1/2022

PURPOSE/POLICY

MCCAA conducts business ethically and avoids conflicts of interest including the appearance of such conflicts. All persons involved in the Agency operations have an equal obligation to avoid conflicts of interest affecting the agency and its clients.

PROCEDURES

1. Employees, Board of Directors, and Policy Council members are expected to report perceived and real conflicts of interest to Human Resources immediately upon discovery or suspicion of the conflict. The vendor list should be reviewed and a disclosure form completed. Examples of conflicts of interest are listed below (but are not limited only to these items):
 - a. An employee has outside employment that competes with the activities or services offered by the Agency.
 - b. An employee has an outside business interest that competes with the activities of the Agency.
 - c. An employee has an outside business that is a purchaser or supplier of goods or services to the Agency.
 - d. An employee has an outside business involvement or employment that interferes with the ability to devote necessary attention to the responsibilities at the Agency (moonlighting).
 - e. An employee has a relative or a person with a significant relationship employed by or has a business interest in companies that compete with, sell to, or buy from the Agency.
 - f. An employee receives purchase inducements (gifts, premiums, money, goods, or services) from vendors that benefit the employee personally (directly or indirectly) or are unauthorized or questionable in nature.
 - g. An employee serves on the policy council or policy committee.
2. Employees, Board of Directors, and Policy Council members have an obligation to:
 - a. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of MCCAA in dealing with outside entities or individuals,
 - b. Disclose real and apparent conflicts of interest to the Board of Directors, and
 - c. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.
3. Personal gifts and favors from people with whom the Agency has a business relationship are prohibited. Minor gifts of more than nominal value of \$50 should be tactfully declined or returned to avoid any appearance or suggestion of improper influence.

- a. Employees are prohibited from accepting any gift or favor from a client or potential client or client/potential client's family.
4. Employees may not accept an honorarium for speaking or teaching assignments in which they represent the Agency, and/or if such assignment(s) occur during regular work hours. If such honoraria are received, they must be turned over to the Agency.
5. Members of the Board of Directors, Governing Board, or Administering Board of any public, private, or nonprofit agency funded by MCCA, or members of any major policy advisory bodies, are not eligible for employment with the Agency. Former members of these Boards and advisory bodies are eligible for employment following their resignation.
6. Employees, Board of Directors, and Policy Council members shall not accept full-time, part-time, or temporary employment in an organization which does business with the agency or is a competitor of the agency.
7. Employees, Board of Directors, and Policy Council members and their immediate families may not have a financial interest in an organization which does business with MCCA whether or not the interest is sufficient to affect the employees, Board of Directors, and Policy Council member's decisions or actions.
8. MCCA expects employees to conduct business in accordance with relevant policies, procedures, and laws and to refrain from any illegal, dishonest, or unethical conduct.
9. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

RESOLUTION OF CONFLICTS OF INTEREST

All real or apparent conflicts of interest shall be disclosed to the Executive Director of MCCA and to the Finance Committee of the Board of Directors. Conflicts shall be resolved as follows:

- The Finance Committee shall be responsible for making all decisions concerning resolutions of conflicts involving directors, the Executive Director, and other members of senior management.
- The chair of the committee shall be responsible for making all decisions concerning resolutions of conflicts involving Finance Committee members.
- The chair of the board shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Finance Committee.
- The Executive Director shall be responsible for making all decisions concerning resolutions of conflicts involving employees below the senior management level, subject to the approval of the Finance Committee.

CONFLICT OF INTEREST IN SERVICE DELIVERY

Applications are required for services provided by Mid-Cumberland Community Action Agency including CSBG, LIHEAP, WAP, Head Start, and Early Head Start. Applicants will be asked to

declare on their application if they are an employee or board member of Mid-Cumberland Community Action Agency or if they are related to an employee or board member of MCCA. Applicant who disclose these relationships will undergo a modified process:

- a. Designated Field staff from local Head Start or Outreach Office, other than the employee/relative, will review all the information and determine if the employee or employee/board member's family member is eligible for service.
- b. Once eligibility is determined, Field Staff, other than the employee/relative, will forward application to Central Office.
- c. Central Office staff will review the application, ensuring that it is correct, complete, and meets eligibility criteria.
- d. The Program Director will review the application, ensuring that it has been processed properly. In the event that the employee or employee's family member that is requesting assistance is a family member of the Program Director or the Program Director is unavailable for an extended period of time, then a different Program Director, Manager, or Coordinator will review the application. The designated member of program management must sign and date the file to acknowledge review was completed and to approve provision of service/addition to waitlist following proper policies and procedures.
- e. The application will be forwarded to Agency management for review. This review will be completed by Finance Director, Deputy Director, or Executive Director. The Agency Director will ensure all information is included, and will verify with program management that all information was reviewed and entered into the appropriate data management system. The Agency Director must sign and date the file to acknowledge review was completed and approve provision of service/addition to waitlist.
- f. After appropriate review the application will be processed as any other application, with vouchers/approvals letters provided to the board member/employee or the board member/employee's family member, as applicable.
- g. The application will be filed with all other program applications.
- h. A list of board members/employees or board members/employee's family members that receive assistance will be maintained by the Director of Finance and available to the Governing Board's Finance Committee. This list will only be provided to Finance Committee members upon request, and not to any MCCA staff not involved in the approval process, to protect customer confidentiality.

DISCIPLINARY ACTION

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to MCCA or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

- a. Against any employee who authorizes or participates directly in actions that are a violation of this policy.

- b. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
- c. Against any director, manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.
- d. A board member who violates this policy may be removed from the board.