

MID-WILLAMETTE VALLEY HOMELESS ALLIANCE

CONFLICT OF INTEREST POLICY AND PROCEDURES

A. PURPOSE OF THIS POLICY

Conflicts of Interest may raise governance, tax and regulatory issues for a Continuum of Care (CoC). They also raise concerns in the minds of the public and members of the media, potentially undermining the organization's reputation and good standing.

Generally, a conflict of interest is a situation in which CoC board members or one of their family members have a personal or financial interest that compromises or could compromise the board member's independence of judgment in exercising responsibilities to the CoC.

Federal HUD regulations state that CoC board members are expected to minimize conflicts of interest; disclose ethical, legal, financial, and other conflicts; and remove themselves from decision-making if they would otherwise be called on to act on a conflict involving themselves, their family members, or entities with which they or their family members are closely associated.

The Mid-Willamette Valley Homeless Alliance has adopted a governance charter that states that conflicts of interest shall not compromise the CoC's work and that even the appearance of a conflict shall be avoided in all circumstances (Article III.A.1).

Under this policy, board members are required to disclose actual or potential conflicts of interest, as well as certain relationships and transactions. This will enable the CoC to take steps it considers necessary or advisable to address conflicts of interest. Depending on the circumstances, a relationship and/or transaction disclosed under this policy may not be a conflict of interest, may be a conflict that could be permitted under federal regulations provided that certain procedures are followed, or may be a conflict that is prohibited all together.

B. POLICY SCOPE

This policy applies to the Board of Directors of the Continuum of Care (CoC), called the Mid-Willamette Valley Homeless Alliance, and the Performance & Evaluation Committee members, to the extent required under federal and Oregon law.

The CoC has primary responsibility for implementing this policy. The policy will be disseminated to board members upon joining the board and annually thereafter. The board may delegate the responsibility for disseminating this policy and collecting signed disclosure statements to a board committee member or the board chair, who shall oversee the process and may be assisted by CoC staff.

C. DEFINITIONS OF TERMS USED IN THIS POLICY

1. **Board** means the Mid-Willamette Valley Homeless Alliance (Continuum of Care) Board of Directors.
2. **Board Member** means an individual currently serving as a member of the Board.
3. **Closely Associated** means that an individual:

- a. Has a Compensation Arrangement with an entity;
 - b. Has an Ownership Interest in an entity; or
 - c. Is negotiating, applying for or considering acquiring a Compensation Arrangement with or ownership interest in an entity.
4. **Compensation Arrangement** is an arrangement involving direct or indirect compensation for services.
5. **Conflict of Interest** means a situation in which Board Members or their Immediate Family Members have, directly or indirectly through another individual or entity, a personal or financial interest that compromises or could compromise the Board Member's independence of judgment in exercising responsibilities to the CoC. Under federal regulations, the situations listed below are not considered to be Conflicts of Interest.
- a. **Provision of Services/Benefits.** Provision of services/benefits by the CoC to a Board Member or an Immediate Family Member solely because the individual is a member of a charitable class that the CoC intends to benefit as part of the accomplishment of its charitable purposes, provided that:
 - 1) The individual meets all applicable eligibility criteria for the services/benefits, including funding source rules on the provision of services/benefits to individuals with a close connection to the organization;
 - 2) The individual does not receive preferential treatment in receiving the services/benefits due to his or her connection with the CoC as a Board Member or as an Immediate Family Member;
 - 3) The services/benefits are provided on terms similar to services/benefits provided to individuals who are neither Board Members nor Immediate Family Members; and
 - 4) The Board Member is not involved in the decision about whether to provide services/benefits to the individual.
 - b. **Expense Reimbursements.** Expense reimbursements made by the CoC Board Member or Immediate Family Member for reasonable, necessary and documented expenses incurred by the Board Member or Immediate Family Member in the course of performing authorized services as a Board Member or volunteer for the organization, provided that the reimbursements are made pursuant to the CoC's Board-approved expense reimbursement plan and are permitted by any applicable funding source rules. Unless required by the Board in a particular circumstance, receipt of reimbursements meeting these criteria need not be disclosed under this policy.
6. **Prohibited Conflict of Interest** means a Conflict of Interest that would prevent a Board Member from serving on the Board or participating in any of the Board activities. A Board Member who has a potential or actual Prohibited Conflict of Interest must resign from the Board. Prohibited Conflicts of Interest include, but are not limited to:
- a. **Compensation and Employment.** A Board Member may not be a CoC employee or be compensated for his or her service on the CoC Board. A former Board Member may be hired as an employee of CoC, provided that at least 180 days have passed since the member left the CoC Board.
 - b. **Provision of Professional Services.** Officers of CoC may not be paid, outside of their approved salary and benefits, for any professional or consulting services provided to the CoC.
 - c. **Loans.** The CoC is prohibited from making a loan to or guaranteeing an obligation of any of its Board Members.
 - d. **Federal Employees.** Board Members who are federal employees are prohibited from serving in any capacity that would require them to act as an agent of or attorney for the CoC in its

- dealings with any federal government departments or agencies (for example, as chair of the CoC Board).
- e. **Diversion of CoC Resources.** Board Members and Board Members' Related Parties are prohibited from using CoC equipment, facilities, assets, or staff time for non-CoC purposes.
 - f. **Gifts.** Board Members are prohibited from soliciting or accepting gifts, gratuities, favors, or anything of monetary value, other than unsolicited items of nominal value, from:
 - 1) Persons receiving benefits or services under any CoC program;
 - 2) Persons or organizations performing services for or providing goods or space to CoC; or
 - 3) Persons who are otherwise in a position to benefit from the actions of a CoC employee, officer, or Board Member.
 - g. Conflicted Board Members who purposefully conceal a Conflict of Interest, refuse to recuse themselves from voting, if recusal is warranted under an Issue Specific Conflict, or engage in other conduct that violates this policy will be subject to removal from the Board.
7. **Issue-Specific Conflict of Interest** means a Conflict of Interest that would prevent a Board Member from voting on or being present during the discussion of a specific issue, such as votes on contracts and CoC leadership. Under federal regulations, an Issue-Specific Conflict of Interest requires that Conflicted Board Members recuse themselves from voting or discussing a particular issue but does not require resignation or removal of a Board member. Issue-Specific Conflicts of Interest include, but are not limited to:
- a. **Participation in Contracts.** Board Members shall not participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when Board Members, any of their Immediate Family Members, their partners, or an organization which employs or is about to employ any of the parties indicated herein, are or have a financial or other interest in the individual or firm selected for the award.
 - b. **Voting.** Board Members who are running for CoC leadership are considered Conflicted for purposes of voting on the position for which they are nominated.
8. **Actual and Potential Conflicts of Interest** are defined under Oregon Revised Statutes, Chapter 244 for members of public bodies. A **potential Conflict of Interest** exists when a Board or committee member takes an action that reasonably could be expected to have a financial impact on that member, a relative, or a business with which the member or member's relative is associated. An **actual Conflict of Interest** exists when an action is reasonably certain to result in a special benefit or detriment to the member, a relative, or a business with which the member or member's relative is associated.
9. **Conflicted Board Member** means a Board Member with a Conflict of Interest.
10. **Immediate Family Member** means a Board Member's:
- a. Spouse or partner in a civil union recognized by state law;
 - b. Domestic partner or partner in a personal relationship;
 - c. Parent;
 - d. Child;
 - e. Sibling;
 - f. Father-in-law, Mother-in-law;
 - g. Brother-in-law, Sister-in-law;
 - h. Son-in-law, Daughter-in-law;
 - i. Grandparent; or
 - j. Grandchild.
 - k. The term includes individuals related by blood, adoption, or marriage (i.e., stepfamily members).
11. **Independent Board Member** means a Board Member without any Conflict of Interest.

12. **Nominal value** means \$50 or less per gift and \$75 or less for all gifts received from a particular individual or entity per calendar year. Acceptance of gifts of nominal value must be disclosed according to the procedures set forth in this policy. However, the prohibition on soliciting or accepting gifts does not include acceptance of token gifts of low-cost promotional items, such as pens, note pads, caps, calendars, and coffee mugs, and such gifts do not need to be disclosed.
13. **Ownership Interest** means that an individual owns at least 5% of the ownership interests (for example, shares of stock or partnership or limited liability company interests) or assets of an entity or, in the case of a publicly held corporation, at least 1% of the corporation's outstanding capital stock.
14. **Quorum** means majority of the Board Members. Quorum is required to convene a meeting of the Board. Once quorum is established, quorum is not lost simply because a Board Member must abstain from a vote due to a Conflict of Interest.
15. **Related Party** means an Immediate Family Member or an entity with which Board Members or their Immediate Family Members are Closely Associated.
16. **Transaction** means any financial agreement or relationship, including but not limited to those involving:
 - a. The sale, lease, purchase, transfer, or provision of goods, services, equipment, facilities, or rights of any kind;
 - b. The provision or receipt of a loan or grant;
 - c. A joint venture, partnership or collaboration; or
 - d. An investment.

D. PROCEDURES TO ADDRESS CONFLICTS OF INTEREST

CoC Board members and Performance & Evaluation Committee members are expected to adhere to the CoC Conflict of Interest Policy, which requires the member to minimize conflicts of interest; disclose ethical, legal, financial, and other conflicts; and remove themselves from decision-making if they would otherwise be called on to act on a conflict involving themselves, their family members, or entities with which they or their family members are closely associated. Under the policy, Board members are required to disclose actual or potential conflicts of interest, as well as certain relationships and transactions. No CoC Board member may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to the organization that the member represents, pursuant to 24 CFR part 578.95.

The following procedures are set forth to address Conflict of Interest situations that may arise.

1. **Disclosures by Candidates for Board Seats.** The Board shall require each individual applying for a position on the CoC to disclose on the application Conflicts of Interest involving the individual or any Related Parties.
2. **Disclosure by Board Members.**
 - a. **Obligation to Disclose.** Board Members have a continuing obligation to disclose promptly and fully any actual or potential Conflicts of Interest of which they are aware.
 - b. **Form and Frequency of Disclosure.** Board Members shall complete and sign on an annual basis and at such times as Conflicts of Interest arise, a Conflict of Interest disclosure statement, in the form attached to this policy, fully and completely disclosing the material facts about any actual or potential Conflicts of Interest of which they are aware.
3. **Addressing Actual and Potential Conflicts of Interest Under Oregon Law.** Under ORS 244, no Board or committee members shall participate in a decision in which they have a private pecuniary

interest. Affected members shall disqualify themselves from participation by written notification to the Board, as required by ORS 244.120.

- a. **If a potential Conflict of Interest** exists, the member may participate in an action after declaring the potential conflict and announcing its nature.
 - b. **If an actual Conflict of Interest** exists, the member will declare the actual conflict and announce its nature. The member must then refrain from taking any official action, except when the member's vote is necessary to achieve a quorum. When a vote is necessary to achieve a quorum, the member may vote, but may not participate in any discussion or debate on the issue out of which the actual conflict arises.
4. **Board Review.** The Board shall review and determine, with the assistance of legal counsel if necessary, how to address situations involving Conflicts of Interest. In determining whether a Conflict of Interest exists and what action, if any should be taken, the Board shall consider the fact that the situation could subject the CoC to criticism, embarrassment, litigation, or administrative proceedings. The Board shall apply a reasonableness standard in determining whether a conflict exists.

If the CoC Board has reason to believe that a Board Member has failed to disclose a Conflict of Interest or otherwise violated this policy, it shall inform the Board Member of the basis for this belief and afford the member an opportunity to explain the alleged failure or violation.

If, after hearing the response of the conflicted party and making such further investigation as may be warranted in the circumstances, the Board determines that the Board Member has in fact failed to disclose an actual or possible Conflict of Interest or otherwise violated this policy, it shall take appropriate disciplinary and corrective action, which may include removal from the Board.

5. **Voting and Quorum.** The Board shall act on actual or potential Conflicts of Interest situations by affirmative vote of a majority of independent Board Members present at the meeting at which a quorum has been established. Under federal expectations, in the event that less than three Board Members are independent and are available to vote on a resolution, the issue must be assigned to a committee of independent community members for a vote. The CoC staff will be responsible for assembling the Independent Committee, which must include at least four (4) members. The committee's decision is final.
6. **Determination:** The Board may establish or designate a committee of the Board to review any conflicts of interest questions raised by this policy, to determine whether a particular situation involves a Conflict of Interest, and to make recommendations to the Board about how to address Conflicts of Interest. The Board or its designated Board committee, shall determine if a Conflict of Interest exists and respond as follows:
- a. **No Conflict of Interest:** If the Board determines that no Conflict of Interest exists, it shall inform any Board Members involved in the situation of its determination and take any other actions it deems prudent.
 - b. **Conflict of Interest- Not Prohibited:** If the Board concludes that a Conflict of Interest exists and it is not prohibited by this policy, the Board shall inform any Board Members involved in the situation of its determination and take any other actions it deems prudent to address the Conflict of Interest, including excluding Conflicted Board Members from deliberations and decision making.
 - c. **Proposed Transaction:** Where a Conflict of Interest is not prohibited and involves a proposed transaction between CoC and a Board Member or Related Party, the Board shall gather and review appropriate data, including appropriate data as to comparability, to determine whether the terms of the transaction are fair and reasonable to and in the best interests of CoC.

- d. **Issue-Specific Conflict of Interest:** Conflicted Board Members shall not participate in any way in, or be present during, the deliberations and decision making with respect to actual or potential Conflicts of Interest in which they are involved. In addition, when the Board is considering a proposed Transaction between the CoC and a Board Member or a Related Party, no Conflicted Board Member with respect to any proposed or existing Transaction with the CoC may participate in any way in, or be present during, the deliberations and decision making.
- e. **Prohibited Conflict of Interest.** If the Board determines that a potential Board Member has a Prohibited Conflict of Interest, the Board shall reject the nomination. If the Board determines that a current Board Member has engaged in an activity that creates a Prohibited Conflict of Interest, or that a proposed Transaction would result in a Prohibited Conflict of Interest, the Board shall decide either:
 - 1) to decline to enter into the proposed Transaction, if applicable; and/or
 - 2) to request the resignation of the Conflicted Board Member(s) and, if the Conflicted Board Member(s) do(es) not resign, follow appropriate legal procedures to remove the Conflicted Board Member(s).
- 7. **Documentation:** The Board or designated Board committee shall document its decisions about a Conflict of Interest in its meeting minutes (and attachments to the minutes, if applicable). The minutes shall include: material facts regarding the Conflict of Interest; the basis for the Board's decision; the names of Board Members present and of those who voted on the matter; and any actions taken with respect to Conflicted Board Members with respect to the matter (for example, whether they were excluded from discussion and voting on the matter). The minutes must be prepared before the latter of the next Board or committee meeting or 60 days after the final action is taken on the matter. Once prepared, the minutes must be reviewed and approved by the Board or committee (whichever is applicable) within a reasonable time.
- 8. **Penalties:** Board Members who purposefully conceal a Conflict of Interest, refuse to recuse themselves from voting, or engage in other conduct that violates the CoC Conflict of Interest policy will be subject to removal from the Board at the determination of the Board.
- 9. **Annual Declaration:** Board Members are to annually receive a copy of the CoC Conflict of Interest Policy, sign the CoC's Conflict of Interest form, and submit the form to CoC staff.

CONFLICT OF INTEREST DISCLOSURE FORM

Board Members are required to complete and sign this statement annually and at such times as they become aware of actual or potential Conflicts of Interest. This statement should take no more than 10 to 15 minutes for most Board Members to complete. It asks intentionally broad questions, with the hope of identifying all relevant actual or potential Conflicts of Interest.

Capitalized terms used in this statement are defined in the Conflict of Interest Policy.

In some instances, you may need to reveal a conflict or relationship when responding to a question. This does not necessarily mean that you have done something improper or violated the Conflict of Interest Policy for CoC members. By identifying conflicts and relationships, you permit the CoC and its management to make an informed judgment, further permitting them to address issues through appropriate actions and safeguards. Being forthright now is the best approach.

If you have questions about the Conflict of Interest Policy or this statement, ask the Board Chair or email Janet Carlson at jcarlson4560@gmail.com.

Please base your answers to the questions below on facts that exist now or that have arisen since you last completed this form. Please circle Yes or No for each bulleted question below:

- **Do any of your Immediate Family Members serve as a CoC Board Member, officer, or employee?**

Yes No (circle one) If yes, please identify the individual, their position, and your relationship with them:

- **To the best of your knowledge, are you or any of your Related Parties engaged in any Transactions with a CoC Board Member, officer, or employee?** For this purpose, a Transaction does not include a transaction between an attorney and client, or a medical professional (including psychologist) and patient.

Yes No (circle one) If yes, please identify the individuals or entities involved and the Transactions in which they are involved:

- **To the best of your knowledge, are you, any other Board Members, or any Immediate Family Members of Board Members (including your own Immediate Family Members) engaged in or considering engaging in a Transaction with the CoC (including providing professional or consulting services to the CoC)?**

Yes No (circle one) If yes, please identify the Board Member and/or Immediate Family Member and describe the Transaction:

- **To the best of your knowledge, are you, any other Board Members, or any Immediate Family Members of Board Members (including your own Immediate Family Members) Closely Associated with any entity that is engaged in or considering engaging in a Transaction with the CoC?**

Yes No (circle one) If yes, please identify the Board Member and/or Immediate Family Member, the entity, the Compensation Agreement or Ownership Interest, and describe the Transaction:

- **To the best of your knowledge, have you or any other Board Members solicited or accepted gifts, gratuities, favors, or anything of monetary value (other than token gifts of low-cost promotional items, such as pens, notepads, caps, calendars, or coffee mugs) from: (a) persons receiving benefits or services under any CoC program; (b) persons or organizations performing services for or providing goods or space to the CoC; or (c) persons who are otherwise in a position to benefit from the actions of a CoC employee, officer, or Board member?**

Yes No (circle one) If yes, please identify the Board Member, the item that was solicited or accepted, and the person or entity from whom the item was solicited or accepted:

- **To the best of your knowledge, have you or any other Board Members participated in the selection or award of a contract supported by federal funds if a real or perceived conflict of interest was involved?** Such a conflict would arise when Board Members, any of their Immediate Family Members, their partners, or organizations which employ or are about to employ any of these parties, is or has a financial or other interest in the individual or firm selected for the award.

Yes No (circle one) If yes, please identify the Board Member, the conflict, and the conflict of interest:

- **To the best of your knowledge, have you, any other Board Members, or Board Members' Related Parties (including your own Related Parties) used CoC equipment, facilities, assets, or staff time for non-CoC purposes?**

Yes No (circle one) If yes, please identify the Board Member or Related Party, the CoC equipment, facilities, assets, or staff used, and the purpose for which it was used:

- **To the best of your knowledge, are you aware of any other Conflicts of Interest not already disclosed above?** A Conflict of Interest is a situation in which Board Members or their Immediate Family Members have, directly or indirectly through another individual or entity, a personal or financial interest that compromises or could compromise a Board Member's independence of judgment in exercising the member's responsibilities to the CoC.

Yes No (circle one) If yes, please identify the Board Member, the conflict, and the conflict of interest:

CONFLICT OF INTEREST ACKNOWLEDGMENT

As a Board Member, I hereby acknowledge and affirm that by signing below:

1. I have received a copy of the Mid-Willamette Valley Homeless Alliance Conflict of Interest policy and procedures;
2. I have read and understand the Mid-Willamette Valley Homeless Alliance Conflict of Interest policy and procedures;
3. I agree to comply with the Conflict of Interest policy and procedures; and that
4. To the best of my knowledge, my responses to the disclosure questions are true, accurate and complete.

I, the undersigned, agree to update this Conflict of Interest statement no less than annually, or at any time a matter requiring disclosure under these policies arises after the date hereof.

Signature: _____

Name (printed): _____

Date: _____

Annual or Other Disclosure (circle one)