

**Upper Cumberland
Local Workforce Development Board
POLICIES AND PROCEDURES**

Title: CONFLICT OF INTEREST POLICY

Date of Adoption:

PURPOSE: This policy is to ensure that Upper Cumberland Local Workforce Development Board members or staff will not personally or professionally benefit from a service that would provide direct financial benefit to a member or the immediate family of such member. This policy will establish the guidelines under WIOA for sub recipients, contractors, staff and board members to prevent actual, potential, or questionable conflicts of interest.

POLICY: No individual in a decision-making capacity shall engage in any activity, including participation in the selection, award, or administration of a sub grant or contract supported by WIOA funds, if a conflict of interest (real, implied, or apparent) would be involved. A conflict of interest situation arises when an individual or organization has a financial or other personal interest in a matter and participates in the selection process to award funds to such organization. The TDLWD requires that all individuals or representatives of organizations entrusted with public funds will not personally or professionally benefit from awards, administration, or expenditures of such funds.

INSTRUCTIONS:

Providing Services to Participants Funded under the WIOA Program: Services shall be accessible to any individual in the local area who is eligible and suitable for available services subject to UCLWDB policies and procedures. The UCLWDB must have safeguards in place to ensure that all those served in the program are not only eligible and suitable but also detached from being part of the perception of impropriety or a conflict of interest. Safeguards shall include:

- A disclosure statement on all intake/eligibility forms or documents to provide a benefit (training, gas card, etc.) stating that workforce system members (*CLEOs, LWDB members, Board Staff, WIOA staff, AJC partner staff, and WIOA sub recipients and/or contractors*) will not provide direct service during the intake or eligibility determination of a family

member or close acquaintance. No workforce staff or member will have a personal or business relationship with, or a positive bias for, or a special interest in, that particular applicant. Accusations that certain decisions were influenced by a conflict of interest will be avoided by the participant being served by another workforce staff member.

- If such a relationship exists between a workforce member and a participant, documentation including the name of the member and the nature of the relationship must be maintained in the participant's file.
- A list of any Workforce members who have disclosed any of these close relationships will be maintained by UCLWDB staff and will be provided to Program Accountability Review (PAR) program monitors at the onset of all monitoring visits.
- Training concerning internal conflicts of interest will be provided to all workforce members on an annual basis. All new staff members and providers will be informed of this policy.

Local Workforce Development Board: The UCLWDB members may not cast votes or participate in any decision making regarding services provided by the member or by any organization which that member directly represents, including any provision of services or any action which gives direct financial benefit to such member or to the immediate family of such member or any organization the member represents.

- Duties of the UCLWDB members:
 1. Prior to taking office, proposed members shall:
 - a. Review the UCLWDB Conflict of Interest and Code of Conduct Policies and shall acknowledge by signature the UCLWDB Conflict of Interest Statement. This signed statement shall remain in the Board member's file.
 - b. Provide the local board chairperson with a written declaration of all substantial business interests or relationships that board members, or their immediate families, may have with any businesses or organizations that have received, currently receive, or are likely to receive contracts or funding from the local board.
 - c. Appoint an individual to review the disclosure information in a timely manner and to advise the local board chairperson and appropriate members of potential conflicts.
 - d. Recuse themselves from their official board duties if they are determined to be involved in a real or apparent conflict of interest.
 2. During their course of duties as a Board member, if a real or apparent conflict should arise, the member shall:
 - a. Ask the Board for an opinion if there are any doubts whether or not specific situations involve a real or apparent conflict of interest. This should be done prior to discussion on the matter in which the conflict may involve.
 - b. Disclose the nature and extent of the interests or relationships and abstain from discussions and voting on, or refrain in any other way from participating in, decisions on such matters. This should be done prior to discussions, votes, or decisions on any matters before a local board. If such members, or persons

in the immediate family of such members, have substantial interests in or relationships to business entities, organizations, or properties that would be affected by any official local board action. All such abstentions must be recorded.

- Duties of the UCLWDB:
 1. Select or designate an organization to perform duties related to WIOA such as developing a written agreement with the Upper Cumberland Local Workforce Development Board and Chief Local Elected Officials. This Interlocal Agreement will clarify how the organization will carry out its multiple responsibilities while demonstrating compliance with WIOA, corresponding regulations, relevant Office Management and Budget circulars and with this conflict of interest policy. This agreement is also to limit conflict of interest, minimize fiscal risk, and develop appropriate steps within the single entity performing multiple functions.
 2. Ensure that the Upper Cumberland Local Workforce Development Board and their contractors make this information available to appropriate staff members to make certain that these staff members are familiar with it and its requirements in order to prepare state or local plans and the conflict of interest policy.
 3. Ensure that the Upper Cumberland Local Workforce Development Board and its members, or its administrative staff members do not directly control the daily activities of its workforce service providers, its workforce system partners, or its contractors.
 4. Ensure that any Upper Cumberland Local Workforce Development Board service provider establishes sufficient "firewalls" and conflict of interest policies and procedures that are consistent with this policy.

Program Integrity: Firewalls shall be in place to ensure program integrity. A single entity may not perform the functions of Fiscal Agent, Board Staff, One-Stop Operator, and Service Provider. The Fiscal Agent may function in a dual role as staff to the board, or alternately, the Board may hire direct staff for this function. In order to ensure compliance with firewall requirements, staff to the Board, or other board staff entities may not be a provider of career services. The entity designated by the CLEO to serve as fiscal agent may not also serve as the One-Stop Operator and/or career service provider. The One-Stop Operator must be competitively procured through the Request for Proposal process.

CODE OF CONDUCT:

A written set of standards (Code of Conduct) governing the performance of the UCLWDB and its employees, officers, or agents related to real or apparent conflicts of interest is a WIOA requirement (29 CFR 95.42). The following standards shall apply for the UCLWDB, its employees, and any Standing Committee Members:

- Adherence to the Conflict of Interest Policies.
- Adherence to procurement procedures that serve to minimize the appearance of conflicts, in addition to eliminating actual conflicts. Members who represent One Stop Operators, Partners or actual or potential Service Providers and who serve on committees that oversee the One Stop System or the allocation of resources that would potentially be allocated to their programs shall refrain from discussing or voting on any matter that would impact the programs they represent.
- A member's employer may not participate in any way in a future bid on procurement where the member helped to draft specifications. In order to avoid potential conflicts as circumstances change, members whose employers may wish to participate in a future procurement will refrain from involvement in specification development or procurement processes.
- A member shall not become a recipient, directly or indirectly, of any salary payments or loans or gifts or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the UCLWDB.

Nothing in this policy should be construed to prevent any eligible member's participation in WIOA programs. UCLWDB membership should not result in an employer receiving any more or any less consideration for trainees. This policy is to ensure that the officer, employee, agent or UCLWDB member does not approve his/her own training package, or contract for services, but that the system of approval allows for objective determinations.

DEFINITIONS:

Conflict of Interest – A circumstance in which a member's individual interest impairs, or gives the appearance of impairing, his or her ability to make unbiased decisions or provide unbiased public services. Also, any matter before the Board or workforce system staff in which a member has a financial or personal interest, which is in conflict or gives the appearance of conflict.

Immediate Family – Consists of the individuals' parents (including step-parents), spouse, domestic partner, children (including step-children), siblings, grandchildren, grandparents, and any relative by marriage (an "in-law")

Organization - A for-profit or not-for-profit entity that employs, or has offered a job to, an individual defined above. An entity can be a partnership, association, trust, estate, joint stock company, insurance company, or corporation, whether domestic or foreign, or a sole proprietor.

For questions regarding this policy, contact Becky Hull, Executive Director, Upper Cumberland Local Workforce Development Board at bhull@ucworkforce.org

Attachments: UCLWDB Conflict of Interest Statement
WIOA Eligibility Application
WIOA Intake Form

Effective Date: July 26, 2018

Policy Duration: Indefinite



Board Chairperson, UCLWDB