

North Central Workforce Development Area

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LOCAL DIRECTIVE

Directive #: 16-152

Date: 4/01/2017

TO: SkillSource Directors, Officers, Employees and Sub Recipients

FROM: Dave Petersen, Executive Director

SUBJECT: Conflict of Interest

Effective Date: 04/01/2017

This procedure implements Board Bylaw 4.14 Conflict of Interest and Personnel Guideline 1.4. Directors and Managerial employees shall avoid conflicts of interest to assure accountability and transparency in SkillSource decision making and business dealings.

1. **Definitions:**

Conflict of Interest is created (1) when a Director or Managerial Employee (Employee) (or Family Member) is party to a contract, affiliated with an entity or involved in a transaction with SkillSource for goods or services; (2) when a Director or Employee has a material financial interest in a business or enterprise that competes with SkillSource.

Material Financial Interest is substantial financial interest of any kind, so as to likely influence, or give the appearance to influence, the employee's decision-making judgment.

Family Member – (spouse, partner, child, or sibling), or the employee's business partner.

Contract or Transaction – is any agreement involving the sale or purchase of goods or services, providing a loan or grant, or any other type of financial relationship or the exercise or control over another organization. Making a gift to SkillSource is not a contract or transaction.

Organization – A for-profit or not-for-profit entity that employs, or has offered a job to, an employee or director. An entity can be a partnership, association, trust, estate, joint stock company, insurance company, corporation, or sole proprietor.

Related Party other entities which a director or employee has voting or controlling power.

Contract or Transaction is any agreement to sell or purchase goods or services, providing or receipt

of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. Making a gift to SkillSource is not a Contract or Transaction.

Sanctions Directors or Employees who flagrantly fail to avoid conflicts of interest are subject to penalty or discipline including board removal or termination of employment.

Accepting gifts, entertainment or other favors from individuals or entities may produce a Conflict of Interest when the party providing the gift/entertainment/favor does so under circumstances where it may reasonably be inferred that such action was intended to influence the employee's performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity. Nominal or insignificant value is defined as no more than \$10.

2. Board Actions

Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, the board or committee member having a Conflict of Interest, and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that an employee, another board member or a volunteer may have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself.

The member having a conflict of interest may not vote on the Contract or Transaction. If deemed necessary by the board, the member shall leave the meeting when the vote is taken. Such person's voting abstention shall be reflected in the meeting minutes.

In the event it is unclear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or the Chair or the Chairs' designee, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to the policy.

3. Confidentiality

Directors and employees shall exercise care to prevent disclosure of confidential information acquired in connection with Conflicts of Interest. Also, directors and employees shall not disclose or use information learned in the course of conducting SkillSource business for their personal profit or advantage, or the profit or advantage of an employee's family member.

SkillSource Conflict of Interest

By signature below, Directors and management employees acknowledge that they have reviewed and understand Conflict of Interest Directive# 16-152 and its contents.

I _____, hereby
acknowledge that I have read and understand the Conflict of Interest Policy.

Signature

Date