

| Policy Title: Conflict of Interest for Employees Independent Contractors and Volunteers | |
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| Policy Owner: Director of PTT Policy Originated by: PTT | Date Written: 10/1/13 |
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| Statutory or Regulatory Citation: MN Rule Part 9545.0785 Subpart 4, 9543.0130 subpart 4 | Date Reviewed and Approved by BOD: |

Policy

It is the policy of St. David's Center to comply with all applicable Federal and State laws and regulations relating to conflict of interest. St. David's Center will provide a procedure so that actual and potential financial conflicts of interest are disclosed in order to ensure that employees of St. David's Center perform their duties and carry out their responsibilities in a manner that is free from influence and conflicts of interest.

Additionally, as a social-service agency, St. David's Center must provide services in a manner that is above reproach. Employees, independent contractors, and volunteers must avoid even non-financial conflicts of interest and situations which might give the appearance of a conflict of interest. Employees, independent contractors, and volunteers must avoid actions or relationships which might affect judgment or impair the performance of their duties.

Definitions

- A. **"Compensation"** includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- B. **"Financial Conflict of Interest"** occurs when an interested person has a financial interest, directly or indirectly, through business, investment, or family, in any of the following:
 - i. An ownership or investment interest or leadership position in any entity with which St. David's Center has a transaction or arrangement;

- ii. A compensation arrangement with St. David's Center or with any entity or individual with which St. David's Center has a transaction or arrangement;
 - iii. A potential ownership or investment interest or leadership position in, or compensation arrangement with, any entity or individual with which St. David's Center is negotiating a transaction or arrangement;
- C. **"Immediate family member"** means an interested person's spouse, domestic partner, parent, child, sibling, grandparent, grandchild, housemate (any person living in the same household, regardless of whether related by marriage or blood), and the spouse of any such immediate family member.
- D. **"Interested person"** means any employee, independent contractor, or volunteer of St. David's Center, or any immediate family member thereof, who has a direct or indirect financial interest, or non-financial conflict of interest, as defined in this Policy.
- E. **"Non-financial Conflict of Interest"** means an involvement outside of St. David's Center that interferes with responsibilities at St. David's Center, or which could affect the ability to properly perform duties.

Procedure

I. Financial Conflicts of Interest

- A. **Identifying a Financial Conflict of Interest.** A potential Financial Conflict of Interest arises whenever St. David's Center is considering a potential interest, transaction, or relationship, direct or indirect, with any interested person and from which the interested person may derive or receive material financial benefit (financial interest) as a consequence of the potential interest, transaction, or relationship. Examples include:
 - i. A financial interest in a transaction involving the purchase or sale by St. David's Center of any goods, materials, equipment, supplies, services, or property;
 - ii. Outside employment or other professional work of an interested person that may interfere with or adversely affect the performance of the interested person (If applicable, please complete the Conflict of Interest Disclosure Statement for Employment/Professional Work Outside of St. David's Center.);
 - iii. Employment of an immediate family member by an entity that does business with St. David's Center;

- iv. Consideration by St. David's Center of a policy or other program or initiative that directly affects a matter involving the specific benefits of a member who is an interested person, employer, or immediate family member.

The above list is not meant to constitute an exhaustive list of all potential conflicts of interest and is offered by way of example only. Actual and potential conflicts of interest can take many forms under this Policy and Procedure and must be evaluated on a case-by-case basis.

- B. **Duty to Disclose.** Employees with a potential conflict of interest are required to submit a Conflict of Interest Disclosure Statement form to the Human Resources Team annually. If an Interested Party becomes aware of a Financial Conflict of Interest, the Interested Party shall immediately submit an updated Conflict of Interest Disclosure Statement to the Human Resources Leadership Team.* Board members have a separate conflict of interest policy and reporting procedure.
- C. **Determining Whether a Conflict Exists.** The Human Resources Team shall review all Conflict of Interest Disclosure Statements and determine, based on the facts and circumstances disclosed, if a Financial Conflict of Interest exists. Where it is determined that a Financial Conflict of Interest exists, the Chief Executive Officer and Board of Directors shall be notified.
- D. **Abstention.** An employee, independent contractor, or volunteer with a conflict of interest shall not influence or participate in any decision or on any matter involving the potential conflict of interest.
- E. **Failure to Disclose.** Should the Human Resources Team discover reasonable cause to believe that an Interested Person has failed to disclose an actual or potential Financial Conflict of Interest, they shall inform the Interested Person of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose the actual or potential conflict of interest. The Interested Person's response shall be reviewed and considered. If, after reviewing and considering the response and upon further investigation as warranted by the circumstances, a determination is made that the Interested Person has in fact failed to disclose an actual or potential Financial Conflict of Interest, appropriate disciplinary and corrective action shall be taken.

II. Non-Financial Conflicts of Interest

Identifying a Non-Financial Conflict of Interest. A non-financial conflict of interest arises whenever an Interested Person may receive personal gain from interactions with program participants, clients, families, or others receiving services from St. David's

Center. Employees, independent contractors, and volunteers must avoid any outside activities which might create an incentive to respond differently than usual with a child or family member. Employees, independent contractors, and volunteers are also expected to avoid all activities which would give rise to the appearance that the person involved will be given preferential treatment. Examples include:

- A. Demonstrating favoritism among children or families;
- B. Providing housekeeping, shopping, or other services for a family enrolled in a St. David's Center program when those services are not a part of the St. David's Center program;
- C. Close personal relationships with program participants, families, or other partners with the exception of family members who provide In Home Support services to other family members through In Home Support services programs.
- D. If you are an employee of St. David's Center and your family member receives services, this is a potential conflict of interest. Please complete the Conflict of Interest Disclosure Statement.

The above list is not meant to constitute an exhaustive list of all potential conflicts of interest and is offered by way of example only. Actual and potential conflicts of interest can take many forms under this Policy and Procedure and must be evaluated on a case-by-case basis.

III. Other Conflict of Interest Issues

- A. **Gifts.** Employees, independent contractors, and volunteers must refuse any gifts of more than a nominal value (usually not more than \$25 in value per year) from clients, program participants, mentors, and/or volunteers. The acceptance of personal favors such as yard work, car washes, favors, credit, loaned or discounted goods or services, trips, and hotel expenses are also prohibited. Acceptable gifts may include meals, refreshments, or entertainment of reasonable value under circumstances in which, if paid by you, would be reimbursable business expense.
- B. **Use of Resources for Political Activities Prohibited.** St. David's Center believes in improving the quality of life in the community and supports employees who volunteer for civic activities. However, laws prohibit using organizational time and resources for political campaigns, elections, conventions, or caucuses. Employees, independent contractors, and volunteers are prohibited from using agency stationery, facilities, funds, or equipment in support of any political activity.

- C. **Nepotism.** Employees who are Immediate Family Members are prohibited from being involved in selection decisions or in direct reporting relationships with one another, except with respect to consumer-directed services.
- D. **Volunteer Activities.** Employees, independent contractors, and volunteers may seek or accept part-time public service positions on school boards, municipal councils, and public boards and commissions. Employees, independent contractors, and volunteers may also accept election or appointment to civic commissions and boards of nonprofit organizations. Employees, independent contractors, and volunteers must establish with a supervisor beforehand that such outside activities do not interfere with duties and time commitments at St. David's. In all cases, St. David's knowledge and approval of an appointment or candidacy does not imply that an individual is serving at the direction or desire of St. David's, nor does it imply endorsement of the organization or its purposes. If a conflict of interest arises between a volunteer or public position and a position at St. David's, the conflict must be disclosed.
- E. **Trade Secrets.** I agree not to disclose or otherwise use information in the context of any outside employment which would constitute a trade secret.

Violation of this Policy or Procedure

No or only partial adherence to this policy or procedure may result in noncompliance with current regulatory requirements and subsequent penalties to St. David's Center. Remediation for violators will include, but not be limited to, disciplinary action up to and including termination depending on the circumstances of the situation at the time.

Reference or Attachment:

[Conflict of Interest Disclosure Statement](#)

[Conflict of Interest Disclosure Statement for Staff Parents of Children Enrolled in the Early Childhood Education Program](#)

[Conflict of Interest for Employment Outside of St. David's Center](#)