

CONFLICT OF INTEREST

PURPOSE/POLICY

JCEO conducts business ethically and avoids conflicts of interest including the appearance of such conflicts. All persons involved in JCEO's operations have an equal obligation to avoid conflicts of interest.

[HEAD START SPECIFIC] refer to **OHS-PC-E-029** for definition

PROCEDURE

1. Employees are expected to report conflicts of interest to Human Resources immediately upon discovery or suspicion of the conflict. 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.
2. Personal gifts and favors from people with whom JCEO has a business relationship are prohibited.
3. 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.
4. Members of the Board of Directors, Governing Board, or Administering Board of any public, private, or nonprofit organization funded by JCEO, 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.
5. When the Board votes and a Board of Director member has a vested interest in the vote (e.g., it is their organization, they have family members involved, etc.) that Board member is to leave the room during the entire discussion where conflict may arise and refrain from voting by stepping outside the room while a vote occurs.

6. JCEO expects employees to conduct business in accordance with relevant policies, procedures, and laws and to refrain from any illegal, dishonest, or unethical conduct.
7. 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.

RELATED PARTY TRANSACTIONS

Related Party Transactions, which are limited to those described in this policy, shall be subject to the approval or ratification by the Board of Directors in accordance with this Policy.

1. A “Related Party Transaction” is any transaction directly or indirectly involving any Related Party. A Related Party Transaction is required to be disclosed if it involves the Agency, and in which any Related Person has or will have a direct or indirect material interest. “Related Party Transaction” also includes any material amendment or modification to an existing Related Party Transaction. However, the following are excluded from being a related party transaction: (1) where the transaction itself or the related party’s financial interest in the transaction is de minimis, (2) that would not customarily be reviewed by the board or boards of similar organizations and are available to others on the same or similar terms, or (3) that constitute a benefit provided to a related party only as a member of a class of the beneficiaries that the corporation intends to benefit as a part of its mission, as long as the benefit is available to similarly situated members of the same class on the same terms.

“Related Party” means any of the following:

The Executive Director, Officers, a member of the Board of Directors, a key person as defined in the Not-For-Profit Corporations Law, or their immediate family member.

“Immediate family member” means a child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such Related Party, and any person (other than a tenant or employee) sharing the household of such Related Party.

2. Identification of Potential Related Party Transactions

Related Party Transactions shall be brought to the attention of the Board of Directors. Each of the Executive Director, Officers, members of the Board of Directors, and key persons as defined in the Not-For Profit Corporations Law will be instructed and periodically reminded to inform the Board of Directors of any potential Related Party Transactions. In addition, each such individual shall complete a questionnaire on an annual basis designed to elicit information about any potential Related Party Transactions.

Any potential Related Party Transactions shall be analyzed by the Board of Directors and Legal Counsel to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this policy

1. Review and Approval of Related Party Transactions

The Board of Directors will be provided with the details of each new, existing or proposed Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, and the benefits to the Agency and to the relevant Related Party. In determining whether to approve a Related Party Transaction, the Board of Directors will consider, among other factors, the following factors to the extent relevant to the Related Party Transaction: whether the terms of the Related Party Transaction are fair to the agency and on the same basis as would apply if the transaction did not involve a Related Party; whether there are business reasons for the Agency to enter into the Related Party Transaction; and whether the Related Party Transaction would present an improper conflict of interest for any member of the Agency, Executive Director, Officers or a member of the Board of Directors taking into account the size of the transaction, the direct or indirect nature of the Related Party's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors the Board of Directors deems relevant.

Any member of the Board of Directors who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Party Transaction, but may, if so requested by the President, participate in some or all of the Board of Director's discussions of the Related Party Transaction. Upon completion of its review of the transaction, the Board of Directors may determine to permit or to prohibit the Related Party Transaction.

A Related Party Transaction entered into without pre-approval of the Board of Directors shall not be deemed to violate this Policy, or be invalid or unenforceable, as long as the transaction is brought to the Board of Directors as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy, and is subsequently approved by the Board of Directors after considering available alternative transactions, documenting the nature of the related party transactions, the basis for approval, and the procedures implemented to ensure that such related party transactions will only be allowed in the future pursuant to this policy.