



North Country Workforce Development Board CONFLICT OF INTEREST POLICY

1. PURPOSE

The purpose of this Policy is to protect the interest of the North Country Workforce Development Board (NCWDB) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the NCWDB. The relationship between the NCWDB and its directors, officers, appointees with administrative responsibilities, employees, and volunteers is one, which carries with it a strict duty of loyalty and fidelity. Such persons shall exercise the utmost good faith in all transactions touching upon their duties at the NCWDB and its property. They shall not use their positions or knowledge gained therefrom so that a conflict might arise between the interests of the NCWDB and that of the individual director, officer, appointee, employee or volunteer. All acts of the NCWDB's directors, officers, appointees, employees and volunteers, shall be for the benefit of the organization in any dealings which may affect it adversely.

This policy is intended to supplement but not replace any applicable New York State laws governing conflicts of interest applicable to non-profit and charitable corporations.

2. POLICY DEFINITIONS

- a) Interested Person. Any director, officer, or member of a committee with board-delegated power, who has a direct or indirect financial interest, as defined below, is an interested person.
- b) Financial Interest. A person has a financial interest if he or she personally has, directly or indirectly, through business, investment or family:
 - 1. An ownership or investment interest in any entity with which the NCWDB engages in a business transaction, or arrangement, or
 - 2. A compensation arrangement with the NCWDB and any entity or individual with which the NCWDB has a transaction or arrangement, or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity, or individual with which the NCWDB is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the board of directors or committee decides that a conflict of interest exists.

Adopted March 11, 2016



3. PROCEDURES

- a) Disclosure. The form attached is to be used for disclosure purposes and must be completed prior to initial appointment to the board and annually thereafter.
- b) Duty to Disclose. In connection with any actual or perceived conflicts of interest, an interested person must annually disclose the existence of his or her financial conflict of interest and must be given the opportunity to disclose all material facts to the directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.
- c) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- d) Procedures for Addressing the Conflict of Interest.
 - 1) An interested person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that result in the conflict of interest.
 - 2) The Chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - 3) After exercising due diligence, the Board or committee shall determine whether the NCWDB can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
 - 4) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement is in the NCWDB's best interest and for its own benefit and whether the transaction is fair and reasonable to the NCWDB and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
 - 5) If the actual or possible conflict of interest arises from a relationship between an interested person and the NCWDB the disclosure by such interested person shall be referred to the Executive Committee of NCWDB for review and/or forwarding (if required for action) to the appropriate Board or committees.
- e) Violations of the Conflicts of Interest Policy
 - 1) If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - 2) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including removal from the Board.

Adopted March 11, 2016



4. RECORDS OF PROCEEDINGS

The minutes of the Board and all committees with Board-delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or perceived conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed: and
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

5. COMPENSATION

- a) A voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters who receives compensation, directly or indirectly, from the NCWDB for services is precluded from voting on matters pertaining to that member's compensation.

6. ANNUAL STATEMENTS

Each director, principal officer, and member of a committee with board delegated powers shall annually sign a statement, which affirms that such person:

- a) Has received a copy of the Conflict of Interest Policy of the Corporation;
- b) Has read and understands that Policy;
- c) Has agreed to comply with that Policy;
- d) Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
- e) Discloses any potential conflicts of interest in writing.

7. ANNUAL REVIEWS

To ensure the NCWDB operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, annual reviews will be conducted. The periodic reviews will include whether compensation arrangements and benefits are reasonable and are the result of arm's length bargaining.

On an annual basis, all transactions discussed and identified as Conflicts of Interest will be evaluated by the disinterested persons as to whether the transaction meets the requirements of a fair and reasonable transaction in accordance with the NYS Attorney General's guidance.

8. USE OF OUTSIDE EXPERTS

Adopted March 11, 2016



In conducting the annual reviews provided for in this Policy, the NCWDB may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that annual reviews are conducted.

9. COMPLIANCE WITH LAWS

It is the intention of the NCWDB that in all matters related to the NCWDB, all members of the Board, corporate officers and members of committees with Board delegated powers shall adhere to applicable federal and state laws and regulations. If there is doubt as to the legality of any action or transaction, reasonable legal assistance should be obtained.

11. POLITICAL ACTIVITY

NCWDB respects the rights of members of the Board, corporate officers, and members of committees with Board delegated powers to be or not to be involved on an individual basis with political activities of their own choosing. No NCWDB funds may be used in connection with any such activity and no individual may make political contributions on behalf of the NCWDB.

Adopted March 11, 2016



CONFLICT OF INTEREST DISCLOSURE STATEMENT

I, _____ have reviewed and understand the North Country Workforce Development Board (NCWDB) Conflict of Interest Policy. A copy of the NCWDB's Conflict of Interest Policy has been furnished to me.

I understand that it is the policy of the NCWDB that Directors, Officers, Board Committee Members, Management Employees and other key personnel will annually disclose all potential and actual conflicts of interest even if they are questionable.

I hereby agree to report to the Board Chair any disclosures or changes to my status as they arise.

Date: _____

Signature: _____

Adopted March 11, 2016

