



Tulsa Area Workforce Development Board, Inc.

Proudly serving Creek, Osage, Pawnee and Tulsa Counties in Oklahoma

Conflict of Interest Policy

Board Approved: October 25, 2018

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Conflict of Interest Policy TU2018-102018

Conflict of Interest Policy Changes Overview

Most Recent Policy Changes:

Implementation by: 11.08.2018
Board Approval: 10.25.2018
Executive Committee Approval: 10.11.2018

Reason: This policy was updated to reflect the following language per guidance from the Oklahoma Office of Workforce Development.

*“(h) CONFLICT OF INTEREST. —A member of a local board, or a member of a standing committee, may not—
(1) vote on a matter under consideration by the local board—
(A) regarding the provision of services by such member (or by an entity that such member represents); or
(B) that would provide direct financial benefit to such member or the immediate family of such member; or
(2) engage in any other activity determined by the Governor to constitute”*

Implementation by: 02.15.2018
Board Approval: 05.15.2018
Executive Committee Approval: 02.09.2018
Oversight Committee Approval: 01.29.2018

Reason: This new policy is created in response to the Oklahoma Office of Workforce Development’s guidance Oklahoma Workforce Development Issuance #23-2017. Historically the conflict of interest has been addressed in the board bylaws, service provider contracts, fiscal agent agreements, and other binding documents, as appropriate; however, under new guidance a board policy must be created to solidify the conflict of interest process.

Tulsa Area Workforce Development Board

Conflict of Interest Policy

Board Approval: 10.25.2018

I. Purpose:

The purpose of the conflict of interest policy is to protect the interest of the Tulsa Area Workforce Development Board as a public body charged with oversight of federal and/or state funds, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, staff member, director or might result in a possible excess benefit transaction. This includes persons and entities involved in the competitive selection processes to identify service providers and award funding using Federal funds, which must be free of conflict of interest: real, apparent or organizational. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to organizations responsible for maintaining the public trust for the use of federal, state, and other grant funds for the purpose of carrying out goals and program requirements. This includes the responsibility to maintain the reputation and integrity of the entity, organizations, agencies, and programs.

II. Authority:

- WIOA and USDOL Joint Rule: 678.615, 678.620, 678.625, 679.302, 679.430, and 683.200 (c)(5)
- Training and Employment Guidance Letter (TEGL) 15-16 and TEGL 21-16
- WIOA §107 (h) Local Workforce Development Board Conflict of Interest

(h) CONFLICT OF INTEREST. —A member of a local board, or a member of a standing committee, may not—

(1) vote on a matter under consideration by the local board—

(A) regarding the provision of services by such member (or by an entity that such member represents); or

(B) that would provide direct financial benefit to such member or the immediate family of such member; or

(2) engage in any other activity determined by the Governor to constitute

III. Background:

The Tulsa Area Workforce Development Board is releasing Conflict of Interest Policy and Procedures to ensure that any officer or director, council or standing committee member, and/or staff of the organization understands how to determine whether any conflict of interest, real, apparent or organizational, exists and how to properly mitigate a potential conflict of interest, including disclosure, recusal, documentation and other requirements related to Board business, matters and transactions

IV. Definitions:

A. Interested Person¹:

Any director, principal officer, or member of a council or standing committee with governing board-delegated powers, who has a real, apparent, or organizational interest as defined below, is an interested person.

1. A real or actual conflict of interest arises when a Board member, staff, employee, or person is assigned official responsibilities in a particular matter that may directly affect that individual's personal financial interests or the direct interests of family members.
2. The appearance of a conflict of interest: there are circumstances that would cause a reasonable person with knowledge of the relevant facts to question the individual's impartiality in the official matter.
3. Organizational conflict of interest focuses on the institution (and everyone within the institution); because of other activities or relationships, the institution is unable to render impartial assistance or advice, cannot perform work in an objective way, or has an unfair competitive advantage compared to other entities.
4. Neither membership on the State WDB, the Local WDB, or a WDB standing committee, nor the receipt of WIOA funds to provide training and related services, by itself, violates these conflict of interest provisions.

¹ <https://www.irs.gov/instructions/i1023>

B. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
2. A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors.

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 appropriate governing board or committee decides that a conflict of interest exists.

V. Local Policy:

All officers, members and standing committee members of the Tulsa Area Workforce Development Board must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or that member's immediate family. All officers, members, and standing committee members shall have a duty to disclose any real, apparent, or organizational conflicts of interest to the Board prior to any discussion and recusal from discussion and voting on any matter where a real, apparent, or organizational conflict of interest exists including to the recipient of grant funds. The public disclosure of such conflict will include a statement of why there is a real, apparent, or organizational conflict of interest. In addition, all board members will complete the Conflict of Interest Acknowledgment and Disclosure statement upon appointment to the board and annually thereafter.

A. Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. 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 governing 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.

3. Procedures for Addressing the Conflict of Interest

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- a. The chairperson of the governing board or committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement, if appropriate.
- b. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

- c. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe 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.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

VI. Records of Proceedings

The minutes of the governing 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 possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- 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 with the proceedings.

VII. Compensation

- A. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

VIII. Annual Statements

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

- A. Has received a copy of the conflicts of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy, and

- D. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes including overseeing use of federal, state and other grant funds.

IX. Periodic Reviews:

To ensure the Organization operates in a manner consistent with grant oversight purposes and does not engage in activities that could jeopardize its tax-exempt status and/or grant oversight responsibilities, periodic reviews shall be conducted. The periodic reviews shall include, at a minimum, the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

When conducting the periodic reviews as provided for in section IX, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

X. Performing Multiple Functions

Local organizations often function simultaneously in a variety of roles, including local fiscal agent, Local WDB staff, one-stop operator, and direct provider of services. Any organization that has been selected or otherwise designated to perform more than one of these functions must develop a written agreement with the Local WDB and CEO to clarify how the organization will carry out its responsibilities while demonstrating compliance with WIOA and corresponding regulations, relevant Office of Management and Budget circulars, and the State's Conflict of Interest policy.²

XI. Attachments

A. TAWIB Conflict of Interest Acknowledgment and Disclosure Statement

XII. Compliance

- A. This policy shall be used in accordance with all other applicable federal, state, and local policies.

- B. Local program oversight is conducted in consultation with the chief local elected official.

² 20 CFR § 679.430 'How do entities performing multiple functions in a local area demonstrate internal controls and prevent conflict of interest?'



Tulsa Area Workforce Development Board

Conflict of Interest Disclosure Form

Date: _____

Name: _____

Position: _____

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to a conflict of interest between TAWDB and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report

_____ I have the following conflict of interest to report (please specify other nonprofit and for-profit boards you [or your spouse] sit on, any for-profit businesses for which you or an immediate family member are an officer or board member, or a majority shareholder, and the name of your employer and any businesses you or a family member own):

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed and agree to abide by Section 2.09(b) of the Tulsa Area Workforce Development Board, Inc. Board Bylaws.

Signature: _____

Date: _____

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