



Policy 402

CONFLICT OF INTEREST POLICY FOR COUNCIL MEMBERS

Adopted: March 17, 2000
Revised: November 1, 2005

Purpose and Principles:

A. It is the objective of the members of the Developmental Disabilities Council (referred to as members throughout this policy) to serve and to further the independence, productivity and integration into the community of people with developmental disabilities.

B. It is recognized that members must be knowledgeable in areas for which the Council is responsible and that such knowledge is often derived from actual practice and experience in the field. Such individuals are expected to be objective and fair and shall not pursue financial or personal gain from work done in connection with or on behalf of the Council.

C. Through this policy, the Council intends to ensure with reasonable prudence that no member realizes, or creates the appearance of realizing financial gain of any character, nature or amount from Council actions or programs.

D. The disclosure of circumstances which could lead to a conflict of interest does not create a presumption that any person has violated this policy or state law. Reporting these circumstances allows the Council to determine if they would unfairly benefit an organization or a Council member. Reporting the potential conflict is a responsible and expected course of action.

E. Members shall, at all times follow the procedures established in this policy. Training and review of the Conflict of Interest Policy shall be provided to all Council members on a regular basis.

Authority:

The Washington State Developmental Disabilities Council must comply with the conflict of interest requirements of 42 U.S.C. § 6022 and Chapter 42.52 RCW.

Definitions:

A. Conflict of Interest: A "conflict of interest" exists when a member benefits, directly or indirectly, from any grant, contract, sale, lease, purchase, or other action of the Council that may be made by, through, or under the supervision of the member, in whole or in part, or when a member accepts, directly or indirectly, any compensation, gratuity, or reward from any other person who could benefit from the actions of that member.

B. State Employee: RCW 42.52.010 defines a state employee as "any individual who is employed by an agency in any branch of state government." The term "state officer" is defined as "every person holding a position of public trust in or under an executive, legislative, or judicial office of the state...". Id.

C. Beneficial Interest: This phrase has the meaning ascribed to it under Washington state case law. However, an ownership interest in a mutual fund or similar investment pooling fund in which the owner has no management powers does not constitute a beneficial interest in the entities in which the fund or pool invests. RCW 42.52.010(4).

D. Compensation: This is considered "anything of economic value, however designated, that is paid, loaned, granted, or transferred, or to be paid, loaned, granted, or transferred for, or in consideration of, personal services to any person." RCW 42.52.010(6).

Individuals and Organizations Covered:

A. Conflicts of interest involving any of the following organizations or individuals are prohibited:

- (1) The member of the Council him or herself;
- (2) Any member of the member's immediate family related by blood or marriage;
- (3) Partners or business associates;
- (4) An organization in which any of the above is an officer, director, employee, or consultant; an officer or a director being someone holding a decision-making position and an employee or consultant being someone who benefits financially.
- (5) A person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment.

Actions Prohibited:

- A. No member may receive, accept, take, seek, or solicit, directly or indirectly, any thing of economic value as a gift, gratuity, or favor from a person if it could be reasonably expected that the gift, gratuity or favor would influence the vote, action, or judgment of the member, or be considered as part of a reward for action or inaction.
- B. The Council and Executive Director shall not hire for compensation any person related to any member by blood or marriage.
- C. No member shall divulge any information acquired in the course of official Council duties if that information would be exempt from public inspection or copying under RCW 42.17 (Public Disclosure statutes) except where the information has been discussed or disclosed during a meeting subject to chapter 42.30 RCW (Open Public Meetings Act).
- D. Except for reimbursement for approved travel and business related expenses, no member may directly receive funds, from any grant or contract funded by the Council. In addition, no member may have his or her salary used as match related to any grant or contract funded by the Council.
- E. No member may be beneficially interested, directly or indirectly, in a contract, sale, lease, purchase, or grant that may be made by, through, or is under the supervision of the member, in whole or in part, or accept, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested in the contract, sale, lease, purchase, or grant.
- F. No member may use his or her position to secure special privileges or exemptions for himself or herself, or his or her spouse, child, parents or other persons.
- G. Members who are paid employees of national or state organizations shall not participate in the discussion, selection, award or administration of or seek to advise on or influence a decision or vote regarding a grant or contract for which an affiliated regional or local organization is an applicant or recipient.

Exceptions:

- A. A member shall not be construed as having a conflict of interest with respect to any matter where the member makes a timely disclosure of the circumstances which could lead to a conflict and does not, in connection with that matter:
 - (1) Participate on the Council or committee while the details and specifications of requests for proposals are being developed;

(2) Participate in the discussions, screening or selection process for grants or contracts;

(3) Vote on funding decisions;

(4) Use his or her influence to effect a decision on the matter;

(5) Participate in contract negotiations, administration or evaluation of grants or contracts; or

(6) Discuss the grant or contract with his or her organization or agency or with other members.

B. Nothing in this policy shall prohibit any firm, agency or organization with which any member is associated from appearing, rendering services in relation to any matter before, or transacting business with the Council as long as that member or former Council member does not participate in the discussion or decision-making, share in the profits or receive compensation resulting from that appearance, service, or business. The prohibition on involvement of former Council members only covers those who have served on the Council sometime within the past two years.

C. A member who has a developmental disability or who has a relationship or association with someone with a developmental disability shall not be construed as having a conflict of interest solely because of that disability, relationship or association.

Disclosure:

A. A member shall immediately disclose any circumstances which could lead to a conflict of interest, including those which are uncertain or potential, and shall specify any association with individuals or organizations which might benefit from activities and decisions of the Council to the chair of the Governance Committee.

B. Each member shall annually submit a conflict of interest statement, which is included in this policy as Appendix A.

C. All disclosures and declarations (except for the annual statement) shall appear with the minutes of the meeting or meetings during which they occurred or with which they are associated as a matter of public record.

Evaluation of a Possible Conflict of Interest:

A. The Governance Committee shall determine whether or not a potential conflict of interest exists after reviewing all documentation requested by the Committee or submitted by a member.

B. If the Governance Committee determines that the alleged circumstances, if substantiated, would constitute a violation of state law or that any action may be subject to legal or administrative proceedings against a member, the matter shall be referred to the governor's Executive Ethics Board.

C. If the Governance Committee finds an intentional violation involving a grantee or contractor, it shall be sufficient cause to re-evaluate the grant or contract for termination and possible elimination of the grantee or contractor from future grant or contract considerations.

Effective Date:

A. This policy shall become effective immediately upon ratification by the full Council at which time all former policies concerning conflict of interest are superseded by this policy.

B. These policies shall be incorporated by reference into the Council By-laws.

Ed Holen, Executive Director
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Appendix A

ANNUAL CONFLICT OF INTEREST STATEMENT

I, _____, a member of the Washington State Developmental Disabilities Council, hereby attest and subscribe to the following:

(1) I have read and understand the Conflict of Interest Policy of the Council ratified on March 17, 2000.

(2) For the preceding calendar year, I have not been in violation of any of the provisions of the Conflict of Interest Policy (Note: This subsection is not applicable to individuals who have been Council members for less than one year);

(3) I am not currently in violation of any of the provisions of the Conflict of Interest Policy; and

(4) I will immediately notify the Chair of the Governance Committee during the following calendar year if I find that any of the provisions of the Conflict of Interest Policy apply to me. I further agree to specify the circumstances surrounding any conflict or potential conflict, as it arises, to the Governance Committee of the Council (or to the appropriate state authority).

(Date)

(Signed)

The following is a list of organizations that I serve with as an officer, a member of a board of directors or, an employee that might be likely to contract with or receive funds from the Council. The following list also contains organizations that might contract with or receive funds from the Council in which I have a financial or contractual interest:

<u>Organization</u>	<u>Address</u>	<u>Contact/Phone</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____