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| Topic: Conflict of Interest – Non-agency Officers | Department: Whole agency |
| Original effective date: 10/06 | Last revision date: 7/21/22 |
| Owner: VP for Quality and Compliance | Frequency of reviews: Annual |
| Internal/Regulatory Reference(s) (all that apply): Not-for-profit Corporation Law – NPC section 715-a | |
| Related documents/Links: Potential conflict of interest questionnaire | |

Policy: It is the policy of The Arc of Monroe that business, administrative and support functions promote personal and organizational outcomes.

Additional Information: All staff are expected to act in the best interest of the agency while they are doing their work.

For the purposes of this policy, “staff” includes employees and contractors.

For certain positions, a formal conflict of interest form needs to be filled out upon hire and every year thereafter, or as things come up. For the most part, this applies to directors and above with the following exceptions, which are also included:

- Program managers for independent programs
- Facilities’ project manager
- HR managers
- Finance assistant directors and above

Examples:

- Someone’s family member also works for The Arc
- Someone’s family member receives services from The Arc
- Someone’s family member is seeking to win a contract with The Arc
- Someone wishes to provide a service or support outside their work role to someone they support as an Arc employee

The VP for Quality and Compliance can ask any staff person to complete a form at any time if they think it’s needed and appropriate.

For the purposes of this policy, family member means:

- *Spouse
- *Domestic partner
- *Parent
- *Step-parent
- *Sibling (whole or half)
- *Child
- *Step-child

Agency officers (CEO, COO, CFO, CHRO) submit conflict of interest disclosures with the board and are not subject to this policy.

| Procedure | |
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| Task: | Responsible party: |
| General Guidelines: | |
| 1. Staff cannot use their job or anything about it for their own benefit. For example, they cannot use their Arc job to recruit customers for a personal business they run. | All agency staff |
| 2. Staff should try to avoid things that could create a conflict between their personal lives and job with The Arc. | Agency staff |
| 3. Staff who need to complete a conflict of interest form will do so when they are hired and every year after that, or if/as circumstances require. If in doubt, staff or management should consult with the VP for Quality and Compliance. | VP for Quality and Compliance; Agency Staff |
| 4. The VP for Quality and Compliance will review every form. If something is reported, they will decide if it's a real conflict or not. If so, they will determine what steps should be taken to mitigate the conflict. This may occur in consultation with the person's supervisor, HR or other members of leadership. This will all be documented on the form. | VP for Quality and Compliance |
| 5. Original forms go to HR. The VP for Quality and Compliance will keep a copy. A copy will also go to the person's supervisor. Any denials or approvals with mitigation should be sent to the supervisor within 24 hours of the review by the VP for Quality and Compliance. | VP for Quality and Compliance |
| 6. A summary of all disclosed conflicts of interest will be provided to the President/CEO at least once each calendar year. | VP for Quality and Compliance |
| 7. If it is reported that someone is not following the policy, the VP For Quality and Compliance will be notified and will look into the situation. In consultation with HR and management, actions may be taken in response. This may include disciplinary action up to and including termination of employment. | VP for Quality and Compliance; HR; Managers |
| 8. As part of the hiring process, HR consistently asks people being hired as supervisors if they have any family members working at The Arc and where. This is to make sure that they are not inadvertently assigned as the supervisor to a family member. | HR Business Partners |
| 9. Programs have the authority to handle conflicts of interest for staff not required to formally disclosure within the department. Managers can consult with HR or compliance as appropriate. | Managers |
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| Manager Responsibilities: | |
| 1. Managers have a responsibility to act as role models and establish the tone and expectation within their programs and teams for compliance with laws, rules and regulations. | Managers |

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| 2. Managers are obligated to understand what constitutes a potential conflict of interest, their roles and responsibilities related to managing them, and support the compliance function and HR around these. | Managers |
| VP for Quality and Compliance: | |
| 1. The VP for Quality and Compliance acts as the agency's Compliance Officer, as required in NYS law. | VP for Quality and Compliance |
| 2. Has primary responsibility for administering the agency's compliance program, and related policies and procedures. | VP for Quality and Compliance |
| 3. Acts as a resource for agency staff, management, leadership and the board for issues related to corporate compliance. | VP for Quality and Compliance |
| 4. Will support managers and HR in managing potential conflicts of interest, as outlined in this policy. | VP for Quality and Compliance |

Document revision record:

| Revision Date | Release Date | Reason for change | Approver |
|---------------|--------------|---|----------|
| 12/06 | 12/06 | Reasons for changes not documented | P Dancer |
| 10/11 | 1/12 | Reasons for changes not documented | P Dancer |
| 1/12 | 1/12 | Reasons for changes not documented | P Dancer |
| 5/12 | 5/12 | Reasons for changes not documented | P Dancer |
| 11/12 | 1/13 | Reasons for changes not documented | P Dancer |
| 7/29/13 | 7/29/13 | Reasons for changes not documented | P Dancer |
| 10/24/14 | 10/24/14 | Reasons for changes not documented | P Dancer |
| 4/27/17 | 4/27/17 | Reasons for changes not documented | P Dancer |
| 10/21/19 | 10/21/19 | Transitioned to new procedural format | P Dancer |
| 5/28/21 | 6/8/21 | Added discrete sections for managers and VPQC. Clarified some language. | ICC |
| 7/21/22 | 8/8/22 | Defined "staff" for the purposes of this policy | ICC |

Potential Conflict of Interest Questionnaire

Printed Name and title: _____

Please answer the following questions.

1. Do you have a spouse, domestic partner, parent, step-parent, sibling (whole or half), child or step-child who also works for The Arc of Monroe? ☐ Yes ☐ No

If Yes, please fill in the following: *(If you need more room, please attach a separate sheet)*

| Their name | How related to you | Title and where they work |
|------------|--------------------|---------------------------|
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2. Do you have a parent, step-parent, sibling (whole or half), child, step-child, or someone you are legal guardian, advocate or correspondent for who currently receives or has been referred for **any** services from The Arc? ☐ Yes ☐ No

If yes, please fill in the following: *(If you need more room, please attach a separate sheet)*

| Their name | Your relationship to them | Program(s) the participate in |
|------------|---------------------------|-------------------------------|
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3. a. Do you or your spouse, domestic partner, parent, step-parent, sibling (whole or half), child(ren), or step-child(ren) have a financial, business or personal interest in a business or organization with which The Arc of Monroe does business or expects to do business or with a business or organization receiving payments from The Arc of Monroe for property, goods or services? ☐ Yes ☐ No

If yes, could this business be considered a competitor of The Arc? ☐ Yes ☐ No

- b. Has an immediate family member (as described above) been involved in contractual transactions with The Arc of Monroe? ☐ Yes ☐ No

If yes to either a or b, please fill in the following: *(If you need more room, please attach a separate sheet)*

| Who | Relationship to you | Please describe |
|-----|---------------------|-----------------|
| | | |
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By signing below, I acknowledge that to the best of my knowledge, the information I have provided is true and accurate. Deliberate failure to provide accurate information may result in disciplinary actions. By signing, I also attest that there are no unreported compliance concerns of which I am aware.

Signature_____
Date

Compliance office use only

Date received by compliance office: _____

☐ Meets

☐ Does not meet

☐ Approved ☐ Not approved

Reason: _____

☐ Approved with mitigation:

Mitigation: _____

Date disapproval or mitigation formally disclosed to supervisor: _____

Original: Personnel file

Copy to: Corporate Compliance and Supervisor

Compliance Officer Signature/Date

| | |
|--|---|
| Topic: Conflict of Interest – Board Members and agency officers | Department: Board of Directors and Executive Management Team |
| Original effective date: 9/14 | Last revision date: 5/9/22 |
| Owner: VP for Quality and Compliance | Frequency of reviews: Annual |
| Internal/Regulatory Reference(s) (all that apply): Not-for-profit Corporation Law – NPC section 715-a | |
| Related documents/Links: Potential conflict of interest questionnaire | |

Policy: It is the policy of The Arc of Monroe that business, administrative and support functions promote personal and organizational outcomes.

Additional Information: Conflicts of interest include:

- When someone could use their Arc position to make money for or give preference to another company they work for
- When circumstances outside The Arc might change the way they do their Arc job (i.e., things that benefit them personally like money or more business for another company they work for or have ties to).
- When someone’s outside interests might hurt The Arc’s reputation, success, people we support, or staff.

Examples:

- A board member or their family owns or controls a company that The Arc uses frequently.
- A company that a board member’s family owns is bidding on a contract with The Arc.
- A board member tries to get other board members to hire a company that they own.
- A board member tries to get other board members to hire a company that their family owns.
- A board member takes money or gifts from a company to make sure the board hires them.

Related party transactions are transactions, agreements or arrangements in which a board member, agency officer (e.g., CEO, COO, CFO, CHRO) or their family members (aka: “related parties”) have a financial interest – either directly or through ownership in an outside entity. These must be disclosed to the audit committee of the board. Related parties cannot participate in official discussions or decision-making about the transaction under review.

For the purposes of this policy, family member means:

- *Spouse
- *Domestic partner
- *Parent
- *Step-parent
- *Sibling (whole or half)
- *Child
- *Step-child

| Procedure | |
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| Task: | Responsible party: |
| General Guidelines: | |
| 1. Upon hire or joining the board, Board members and agency officers must complete a conflict of interest disclosure form and submit it to the board's audit committee. On it, they are required to disclose anything that is or may be perceived as a conflict of interest. See attached for the form. | Board members, agency officers |
| 2. If anything changes during the year, board members and agency officers are required to fill out and submit a new form. | Board members, agency officers |
| 3. These forms are given to the board's audit committee who will review and manage these conflicts of interest. They will decide if the disclosure is approved, approved with mitigation, or not approved. These determinations are documented on the back of the form and will be communicated to the board's leadership. | Board's audit committee |
| 4. Board members or agency officers will not participate in meetings, discussions or decisions related to any potential or confirmed conflicts of interest (including "related party transactions" – see below). In addition, they cannot try to influence or otherwise convince others to vote in a certain way. | Board members, agency officers |
| 5. For related party transactions, the board has an obligation to try to find other ways to meet the need without the related party transaction, if possible. | Board |
| 6. If this is not possible, a majority of the people present at the meeting have to approve the transaction. The reasons why the transaction was approved must be documented by the board, including a summary of related discussions and other options that were explored first. | Board |
| 7. The board has the authority to veto a related party transaction if this process was not followed. | Board |
| 8. Board members and officers who do not follow this policy and procedure will receive discipline from the board. This could include termination from board membership. | Board |
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| Audit Committee: | |
| 1. Responsible for implementation of this policy with board members and officers | Board's audit committee |
| 2. Responsible for reviewing and making a determination on every conflict of interest disclosure form received | Board's audit committee |
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| VP for Quality and Compliance: | |
| 1. The VP for Quality and Compliance acts as the agency's Compliance Officer, as required in NYS law. | VP for Quality and Compliance |
| 2. Has primary responsibility for administering the agency's compliance program, and related policies and procedures. | VP for Quality and Compliance |
| 3. Acts as a resource and support for the board for issues related to corporate compliance and, specifically here, conflicts of interest. | VP for Quality and Compliance |

Document revision record:

| Revision Date | Release Date | Reason for change | Approver |
|----------------------|---------------------|---|-----------------|
| 4/27/17 | 4/27/17 | Reasons for changes not documented | P Dancer |
| 10/22/19 | 10/22/19 | Transitioned to new procedural format | P Dancer |
| 3/1/21 | 6/8/21 | Clarified wording; Added sections for Audit Committee and VPQC | ICC |
| 5/9/22 | 5/9/22 | Removed bullets that referred to the audit commit ensuring board members fully disclose; revised bullet 1 under “audit committee” section to state implementation vs. enforcement | ICC |

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☐ Yes ☐ NoIf yes, could this business be considered a competitor of The Arc? ☐ Yes ☐ No

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Signature_____
Date

Audit Committe use only

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☐ Meets

☐ Does not meet

☐ Approved ☐ Not approved

Reason: _____

☐ Approved with mitigation:

Mitigation: _____

Date disapproval or mitigation formally disclosed to supervisor: _____

Original: Personnel file

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