

SOP 17-06
Financial Interest and Conflict of Interest
Standard Operating Procedures
Grow Southwest Indiana Region 11
WDB Approval Date: 10/27/2017
Approval Date: 03/23/2018

Purpose

To explain that under Indiana law, regional board members, employees, or staff members engaged in Grow Southwest Indiana Workforce, Inc. decisions for purchase, sale, lease, contract, option, or other transaction between the Grow Southwest Indiana Workforce Board Inc. and any person or vendor (“Transaction”) shall have no financial interest or conflict of interest in those transactions and to explain the expected requirements for such transactions.

Rescission

DWD Policy 2009-05, Financial Interest and Conflict of Interest in DWD Transaction Decisions

Action

DWD Policy 2010-03 Financial Interest and Conflict of Interest in DWD Transaction Decisions will be implemented in Region 11 SOP Policy 2017-06.

Definitions

The term “financial interest” is defined in Indiana Code 4-2-6-1 (10) to mean “an interest (A) in a purchase, sale, lease, contract, option, or other transaction between an agency and any person; or (B) involving property or services. The term includes an interest arising from employment or prospective employment for which negotiations have begun.”

Content

In accordance with Indiana law, regional Workforce Development Board (WDB) members, employees, or staff members may not knowingly have a financial interest in a contract made by an agency.

Further, a WDB member, employee, or staff member may not participate in any decision or vote if the board member, employee, or staff member has knowledge that any of the following has a financial interest in the outcome of the matter:

1. The board member, employee, or staff member
2. A member of the immediate family of the board member, employee, or staff member
3. A business organization in which the board member, employee, or staff member is serving as an officer, a director, a trustee, a partner, or an employee
4. Any person or organization with whom the board member, employee, or staff member is negotiating or has an arrangement concerning prospective employment.

Any board member, employee, or staff member who will participate in a decision or vote to make a purchase, sale, lease, contract, option, or other transaction between Grow Southwest Indiana Workforce Board Inc. (GSIW) and any person or vendor (“Transaction”) will notify GSIW (through the Executive Director or Board Chair) and seek an advisory opinion from GSIW if he or she believes there might be a conflict of interest. After disclosure of the potential conflict of interest, the Board will issue a determination whether the conflict affects the integrity of the services that Board expects from the individual. Until Grow Southwest Indiana Workforce Board Inc. issues its determination, the individual will be asked to abstain from discussion, decision, and votes regarding the matter. If it is determined that a real or perceived conflict does exist, the individual will abstain from discussion, decision, and votes regarding the matter.

To comply with this requirement and avoid potential conflict of interest between the duties of the Workforce Development Board members, employees, or staff members and their personal financial interests, GSIW will adhere to the following policy and procedures regarding conflict of interest:

1. Each new member will be asked to sign a Conflict of Interest policy document.
2. On an annual basis, GSIW members will require Board members to sign the Conflict of Interest policy document.
3. Board members are responsible for disclosing any real or potential conflict of interest at the earliest possible time. If a potential conflict of interest is identified, the person will notify the Board and seek an advisory opinion. . If the Board has reason to believe an

individual has failed to disclose actual or potential conflicts of interest, it will inform the member and allow member to explain the alleged failure to disclose.

4. If violation(s) are found, violations will be subject to disciplinary action, 2 CFR 200.318(1)(c). If after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the Board member failed to disclose an actual or possible conflict of interest, it may take appropriate disciplinary and correction action up to and including termination from the Board.
5. Employees of the Board who fail to honor the provision of this policy will be considered in breach of the Employee handbook and may be subject to disciplinary action up to and including termination of employment.

References

- 2 CFR 200.318(1)(c)