

CONFLICT OF INTEREST POLICY

General Rule

No full-time or part-time SCHRA employee whose duty it is to let out, overlook, or in any manner to supervise any work or any contract in which SCHRA is or may be interested, shall have a “personal interest” in any such contract or work. This policy also covers volunteers providing services to SCHRA. Governing Board Members’ conflict of interest rules are set out in T.C.A. 12-4-101 and by the Special Addendum at the end of this section.

Definition of “personal interest.”

- (a) Any financial, ownership, or employment interest in the work or contract or matter to be supervised; or
- (b) Any such financial, ownership, or employment interest of the employee’s spouse or domestic partner, parent, step parent, child, or step child, grandparent, grandchild, or sibling – or the spouse of any of the foregoing persons.
- (c) The words “employment interest” include a situation in which an employee or an above-designated family member is negotiating possible employment with a person or organization that is the subject of the work or contract supervised.
- (d) In any situation in which a personal interest is also a conflict of interest under state law, the provisions of the state law take precedence over the provisions of this chapter.

Disclosure Requirements

1. At the inception of employment, contract, agreement or volunteer service to the Agency, and on an annual basis thereafter during designated trainings, the Conflict of Interest Policy will be reviewed by all employees, volunteers, consultants, and contractors. Using the Conflict of Interest Certification form, these individuals will report all personal interest conflicts defined in this Policy. These forms are sent to the Human Resources Director and Executive Director for review and are then reported to the Board Chairperson and independent auditor.
2. If any new potential interest conflict arises during the year, the employee must – on their own initiative – promptly submit a signed, updated disclosure form.
3. The Accounting Department will make available to all SCHRA work sites, through electronic or other means, a comprehensive listing of Agency vendors/contractors with whom the Agency has conducted business during the previous fiscal year.

4. The Executive Director will review all forms completed by employees with reports of conflicts, and report to the Board Chairperson. The Executive Director will determine appropriate resolution in accordance with the remainder of this policy.
5. Prior to management, board, or committee action on a contract or transaction involving a conflict of interest, an employee having a conflict of interest and who is in attendance at the meeting will disclose all facts material to the conflict of interest. Such disclosure will be reflected in the minutes of the meeting.
6. An employee who plans not to attend a meeting at which he or she has a reason to believe SCHRA management, Governing Board or committee will act on a matter in which the employee has a conflict of interest will disclose to the chair of the meeting all facts material to the conflict of interest. The chair will report the disclosure at the meeting and the disclosure will be reflected in the minutes of the meeting.
7. An employee who has a conflict of interest will not participate in management's, the Board's, or the committee's discussion of the matter except to disclose material facts and to respond to questions. Such person will not attempt to exert his or her personal influence with respect to the matter.
8. An employee who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting will not be counted in determining a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction. Such person's ineligibility to vote and abstention from voting will be reflected in the minutes of the meeting.
9. If required by federal awarding agencies, SCHRA will notify those agencies in writing of any conflict of interest as defined by this Policy or the regulations of the federal awarding agency.

Resolution of Conflicts of Interest

An employee may appeal an Executive Director's decision that a conflict exists as follows:

- An appeal must be directed to the Board Chairperson.
- Appeals must be made within 30 days of the Executive Director's determination.
- Resolution of the appeal will be made by vote of the Governing Board.

- Governing Board members who have a conflict of interest with respect to the subject of the appeal, will comply with the provisions of T.C.A. 12-4-101.

Disciplinary Action for Violations of This Policy

Failure of any employee to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Agency or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her or his actions before disciplinary action is taken.

Disciplinary action (discipline, termination, revocation of voting or of contract, or cancellation of contracts) will be taken:

1. Against any employee, volunteer, consultant, or contractor who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee, volunteer, consultant, or contractor who has failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any employee who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.

Acceptance of gratuities, etc. A SCHRA employee may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind from anyone other than SCHRA:

- (1) For the performance of an act, or refraining from performance of an act, the employee would be expected to perform, or refrain from performing, in the regular course of their duties; or
- (2) That might reasonably be interpreted as an attempt to influence the employee's action, or reward the employee for past action, in executing SCHRA business.

Honoraria Acceptance

An SCHRA employee will not accept an honorarium for an activity conducted where Agency-reimbursed travel, work time, or resources are used or where the activity can be construed as having a relationship to the employee's position with SCHRA; such activity would be considered official duty on behalf of SCHRA. A relationship exists between the activity and the employee's position with SCHRA if the employee would not participate in the activity in the same manner or capacity if they did not hold their position with SCHRA. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during regular nonworking hours or while on annual leave if the following conditions are met:

- All expenses are the total responsibility of the employee or the sponsor of the activity in which the employee is participating.
- The activity has no relationship to the employee's SCHRA duties.

Nothing in this policy is intended to be interpreted as preventing the payment to SCHRA by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to SCHRA (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to SCHRA should be deposited to the SCHRA account and an appropriate entry should be made coded to the same program or department to which the employee's corresponding time was charged.

Use of information.

(1) Except as required by management directive or law, an employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law.

(2) An employee may not use or disclose information obtained as a result of their employment with the intent to result in financial gain for the employee or any person or entity with whom the employee has a personal interest as defined in this Policy.

Use of SCHRA time, facilities, etc.

An employee may not use or authorize the use of SCHRA time, facilities, equipment, or supplies for private gain or advantage to the employee or any person with whom the employee has a personal interest as defined in this Policy.

Special Addendum of Governing Board Members

(C) CONFLICT OF INTEREST- Members of the governing body shall--

- (i) not have a financial conflict of interest with the Head Start agency (including any delegate agency);
- (ii) not receive compensation for serving on the governing body or for providing services to the Head Start agency;
- (iii) not be employed, nor shall members of their immediate family be employed, by the Head Start agency (including any delegate agency); and

(iv) operate as an entity independent of staff employed by the Head Start agency.

(D) EXCEPTION- If an individual holds a position as a result of public election or political appointment, and such position carries with it a concurrent appointment to serve as a member of a Head Start agency governing body, and such individual has any conflict of interest described in clause (ii) or (iii) of subparagraph (C)--

(i) such individual shall not be prohibited from serving on such body and the Head Start agency shall report such conflict to the Secretary; and

(ii) if the position held as a result of public election or political appointment provides compensation, such individual shall not be prohibited from receiving such compensation.

EMPLOYEE SIGNATURE

Date