Policy Title: Conflict of Interest

Program or Department: All

Author’s Name and Title: Kelly Wishart, Vice President, Professional Development and Quality

Title of Staff Member(s) Responsible for Implementation: All Staff, Board Members, Volunteers

Policy Statement Date Written: 03/01/12
Policy Statement Date Revised: N/A
Policy Statement Date Approved by Board: 03/28/12
Policy Statement Date Approved by Policy Council:

Procedures Written/Revised by: Kelly Wishart, Vice President, Professional Development and Quality
Procedures Date Revised:
Procedures Date Approved by Senior Administration: 03/21/12

Policy:
It is in the best interest of Children’s Friend to avoid and otherwise be aware of and properly manage all conflicts of interest and appearances of conflicts of interest. This conflict of interest policy is designed to help directors, officers, employees and volunteers of Children’s Friend identify situations that present potential conflicts of interest and to provide Children’s Friend with a procedure to appropriately manage conflicts in accordance with legal requirements and the goals of accountability and transparency in agency’s operations.

This Conflict of Interest Policy governs the activities of the board, staff and volunteers of Children’s Friend. Questions about the policy should be directed to the President and Chief Executive Officer, Chair of the Board, or Vice President for Professional Development and Quality. It is the duty of all board members, staff and volunteers to be aware of this policy, to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to (i) the employee’s supervisor (ii) the President and Chief Executive Officer, (iii) the Chair of the Board or (iv) the Vice President for Professional Development and Quality,
or other designated person, as appropriate. This policy provides guidelines for identifying conflicts, disclosing conflicts and procedures to be followed to assist Children’s Friend to manage conflicts of interest and situations that may result in the appearance of a conflict. Children’s Friend Board and Committee members are further governed by the Agency’s Bylaws, Article XII: Conflict of Interest Policy.

**Procedures:**

A. A conflict of interest arises when a board member, committee member or staff member has a personal interest that conflicts with the interests of Children’s Friend or arise in situations where a board/committee/staff member has divided loyalties (*also known as a “duality of interest”*). The former can result in situations that result in inappropriate financial or material gain to persons in authority at Children’s Friend which can lead to financial penalties and violations of IRS regulations. Similarly, situations or transactions arising out of a conflict of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in the agency’s decision-making process. Both results are damaging to Children’s Friend and are to be avoided.

B. Board members, employees and volunteers, along with their relatives, must avoid situations in which personal or financial interests conflict with those of the agency, including any gained from activities conducted while in the scope of employment, volunteering or governance at Children’s Friend. Agency staff members, volunteers and Board members are also not allowed to use agency facilities, equipment or materials for purposes of outside employment or activities directly related to the needs and interests of Children’s Friend. Agency employees are to refrain from outside work that conflicts with, adversely affects, or has the appearance of adversely affecting Children’s Friend in any way.

C. Accepting gifts, gratuities or business courtesies, or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift, gratuity or business courtesy does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. Gifts, gratuities, or business courtesies are generally acceptable as long as they are infrequent and not lavish. Gifts, gratuities or business courtesies are benefits for which fair market value is not paid by the receiver. They may include such items as meals, drinks, edibles, and entertainment, recreation, door or raffle prizes, promotional items. These items may not exceed a cumulative value of more than $100 annually. No gift, gratuity or business courtesy should be accepted if it will compromise or give the appearance of compromising the agency in any way. In no way should a gift, gratuity or business courtesy appear to influence of compromise and individual’s ability to make a fair and objective business decision. If there is a question of whether or not an item is acceptable clarification can be made by: in the case of a Board member by the President and Chief Executive Officer or Board Chair and in the case of a staff member or volunteer by the Vice President for Professional Development and Quality.
D. Employees of Children’s Friend are not eligible to receive services from Children’s Friend with the exception of child care services. Employees may access their child’s records only through the approved channels for clients to access information. Employees are further bound by the Children’s Friend Personnel Policies, Sections D and E, Employment of Relatives/Partners and Other Potential Conflicts of Interest; as well as by the Code of Conduct and Ethical Practice for All Programs and Services [Section 2-Administration, Policy #1].

E. Other situations may create the appearance of a conflict, or present a duality of interests in connection with a person who has influence over the activities or finances of the agency. All such circumstances should be appropriately disclosed and a decision made as to what course of action the organization or individuals should take so that the best interests of the nonprofit are not compromised by the personal interests of stakeholders in the nonprofit.

F. Prior to board or committee action on a contract or transaction involving a conflict of interest, a director or committee member having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a conflict of interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.

1. A director or committee member who plans not to attend a meeting or recuse his/herself from part of a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a conflict of interest shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

2. A person who has a conflict of interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

3. A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.

4. Interested persons who are not members of the Board of Directors of Children’s Friend, or who have a conflict of interest with respect to a contract or transaction that is not the subject of Board or committee action, shall disclose to the Board Chair, or the Chair’s designee, President and Chief Executive Officer, or the Vice President of Professional Development and Quality, any conflict of interest that such interested
person has with respect to a contract or transaction. Such disclosure shall be made as soon as the conflict of interest is known to the interested person. The interested person shall refrain from any action that may affect Children’s Friend’s participation in such contract or transaction.

5. In the event it is not entirely clear that a conflict of interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or the chair or the chair's designee, who shall determine whether full board discussion is warranted or whether there exists a conflict of interest that is subject to this policy.

G. Confidentiality: Each director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of Children’s Friend. Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of Children’s Friend for their personal profit or advantage or the personal profit or advantage of their family member(s).

H. Confirmation: Each director, officer, employee and volunteer shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.

I. Disclosure: Annually each director, officer, employee in a supervisory capacity and volunteer shall complete a disclosure form identifying any relationships, positions or circumstances in which s/he is involved that he or she believes could contribute to a conflict of interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization, or ownership of a business that might provide goods or services to Children’s Friend. Any such information regarding the business interests of a director, officer, employee or volunteer, or a family member thereof, shall be treated as confidential. Disclosures by directors and officers shall generally be made available only to the Chair, the President and Chief Executive Officer, and any committee appointed to address conflicts of interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy. Disclosures by staff and volunteers shall generally be made available only to the Chair, the President and Chief Executive Officer, and any committee appointed to address conflicts of interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

J. **Annual Review:** This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated to all staff and volunteers.
Annual Conflict of Interest Disclosure Form
Children’s Friend
153 Summer Street
Providence, RI 02903

Name: ________________________________________________________________

Position (employee/volunteer/board member): _____________________________

Please list below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could be or be perceived as a conflict of interest between Children’s Friend and our personal interests, financial or otherwise.

Examples of possible conflicts may include things such as: consulting or business relationships, membership on other boards, or part-time employment; family relationships with staff or clients; accepting gifts in excess of what is stated in our Policy; or any activity that may interfere with your role with Children’s Friend.

1. ________________________________________________________________

2. ________________________________________________________________

3. ________________________________________________________________

4. ________________________________________________________________

5. ________________________________________________________________

6. ________________________________________________________________

7. ________________________________________________________________

8. ________________________________________________________________

9. ________________________________________________________________

10. ________________________________________________________________

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, Children’s Friend Conflict of Interest Policy.

Signature: ___________________________  Print Name: ______________________

Date: ______________