



GUIDANCE:

Potential Conflicts of Interest

This Guidance contains illustrative examples of conflicts of interest that might arise under the State of Iowa Workforce Development Boards Conflict of Interest Policy. This Guidance does not contain an exhaustive list of conflicts of interest that might arise under this Policy.

I. PERSONAL CONFLICTS OF INTEREST FOR BOARD MEMBERS.

1.1. A board member's organization applies to be on the list of eligible training providers and programs.

1.1.1. Bob is a member of a board, representing an organization that provides workforce training.

1.1.2. The organization that Bob represents applies to be included on the list of eligible training providers and programs, which will allow the organization to receive WIOA Title I program funds for providing training to Title I program participants.

1.1.3. Inclusion on the list of eligible training providers and programs will result in a tangible benefit for Bob's organization: receipt of Title I funds for providing training. The deliberations and the vote on whether to include Bob's organization on the list of eligible training providers and programs therefore represent a conflict of interest for Bob.

1.1.4. Bob must disclose this conflict of interest in writing to the board and recuse himself from deliberations and actions relating to the application for inclusion on the list of eligible training providers and programs filed by Bob's organization.

1.1.5. Bob submitted his disclosure to the board at the meeting that his organization's application for the list of eligible training providers and programs was on the agenda for consideration and action.

1.1.6. The board must respond to Bob's disclosure by taking votes in open session to do each of the following:

- 1) Accept Bob's disclosure;
- 2) Include Bob's disclosure in the minutes for the meeting; and
- 3) If Bob has not voluntarily recused himself, take a roll call vote to exclude Bob from all board deliberations and action relating to the RFP.

1.1.7. In the open meeting, the board may ask questions of Bob or another representative of the organization he represents regarding the organization's application for inclusion on the list of eligible providers and programs. Bob may respond to these questions, just as any other individual representing an entity applying for inclusion on the list of eligible provider might do.

- 1.1.8. Without Bob's participation, the board may deliberate and must take a roll call vote on whether to approve the application submitted by Bob's organization for inclusion on the list of eligible providers and programs.
- 1.1.9. The board must include Bob's disclosure in the minutes for the meeting at which Bob submitted the disclosure.
- 1.1.10. The board must also include in the minutes the record of the roll call vote on the application submitted by Bob's organization. The minutes must clearly show each of the following:
- 1) Which board members voted;
 - 2) How each board member voted;
 - 3) That Bob abstained from the vote because of a conflict of interest; and
 - 4) The result of the vote.
- 1.2. **A board member's organization submits a bid to be a Title I program service provider.**
- 1.2.1. Jane is a member of a board, representing an organization that provides training and workforce services.
- 1.2.2. The board is required to procure a service provider for a WIOA Title I program and posts a request for proposals (RFP).
- 1.2.3. The board decides to create a procurement committee to write and post the RFP, receive and score proposals, and make a recommendation to the board as a whole on which bidder the board should award the WIOA Title I service provider contract.
- 1.2.4. Jane knows that her organization is interested in submitting a proposal in response to the board's WIOA Title I service provider RFP. Because Jane's organization will benefit financially if the board awards it the WIOA Title I service provider contract, she has a conflict of interest.
- 1.2.5. Jane must disclose her conflict of interest in writing to the board and recuse herself from participating in the board's procurement committee, any other discussions or deliberations by the board relating to the RFP, and any votes that take place regarding the RFP.
- 1.2.6. The board must respond to Jane's disclosure by taking votes in open session to do each of the following:
- 1) Accept Jane's disclosure;
 - 2) Include Jane's disclosure in the minutes for the meeting; and
 - 3) If Jane has not already voluntarily recused herself, take a roll call vote to exclude Jane from all board deliberations and action relating to the RFP.

- 1.2.7. Without Jane's involvement, the board procurement committee wrote and posted the RFP, received all proposals in response thereto, scored them, and decided on a recommendation for the board on awarding the WIOA Title I service provider contract.
- 1.2.8. The minutes for the meeting at which the board deliberates and/or takes action on the procurement committee's recommendation must clearly show each of the following:
- 1) Which board members participated in the deliberations;
 - 2) Which board members voted on the awarding of the contract;
 - 3) How each board member voted;
 - 4) That Jane abstained from voting because of a conflict of interest; and
 - 5) The result of the vote.
- 1.3. **A board member's organization would benefit from a change in the board's on-the-job training (OJT) policy.**
- 1.3.1. Juan is a member of a board, representing business.
- 1.3.2. Juan's business regularly contracts with the local area's Title I service provider to receive reimbursement for 50% of the extraordinary costs it incurs for providing Title I program participants with OJT.
- 1.3.3. The board decides to consider and vote on a proposal to increase the OJT reimbursement rate from 50% to 75%, in accordance with WIOA § 134(c)(3)(h) and 20 C.F.R. § 680.730.
- 1.3.4. Juan recognizes that his business would benefit financially from this change because it would receive an increase in the reimbursement it receives for providing Title I program participants OJT.
- 1.3.5. Juan must disclose in writing this conflict of interest to the board and recuse himself from deliberations and actions relating to the OJT policy.
- 1.3.6. The board must respond to Juan's disclosure by taking votes in open session to do each of the following:
- 1) Accept Juan's disclosure;
 - 2) Include Juan's disclosure in the minutes; and
 - 3) If Juan hasn't already recused himself, take a roll call vote to exclude Juan from all board deliberations and action relating to the OJT policy.
- 1.3.7. The minutes for the meeting at which the board deliberates and/or takes action on the OJT policy must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the OJT policy;
- 3) How each member voted;
- 4) That Juan abstained from voting because of a conflict of interest; and
- 5) The result of the vote.

1.4. A board member's organization submits a bid in response to the board's request for proposals for one-stop operator.

- 1.4.1. Molly is a board member, representing the organization providing Wagner-Peyser employment services in the local area.
- 1.4.2. The board has started discussions on posting a request for proposals (RFP) for one-stop operator.
- 1.4.3. Molly's organization is planning on submitting a proposal in response to the board's RFP for one-stop operator. Because Molly's organization would benefit from the board awarding it the one-stop operator contract, this is a conflict of interest.
- 1.4.4. Molly must disclose in writing this conflict of interest to the board and recuse herself from all board deliberations and actions relating to the RFP.
- 1.4.5. The board must respond to Molly's disclosure by taking votes in open session to do each of the following:
 - 1) Accept Molly's disclosure;
 - 2) Include Molly's disclosure in the minutes; and
 - 3) If Molly hasn't already recused herself, exclude Molly from all board deliberations and actions relating to the RFP.
- 1.4.6. The minutes for the meeting at which the board deliberates and/or takes action on the RFP must clearly show each of the following:
 - 1) Which board members participated in the deliberations;
 - 2) Which board members voted on the awarding of the contract;
 - 3) How each member voted;
 - 4) That Molly abstained from voting because of a conflict of interest; and
 - 5) The result of the vote.

- 1.5. A board member's organization submits an application to become a local provider of adult education and literacy activities under WIOA Title II.**
 - 1.5.1. Maria is a board member representing a community college.
 - 1.5.2. The Iowa Department of Education begins the process of awarding grants or contracts to local providers of Title II services.
 - 1.5.3. The local workforce development board must review the local Title II applications and make recommendations to the Iowa Department of Education on how they align with the local workforce development plan.
 - 1.5.4. The board decides to form a committee to review the Title II applications and provide appropriate feedback to the Iowa Department of Education.
 - 1.5.5. Maria knows that the community college is planning on submitting an application to the Iowa Department of Education to receive a Title II grant or contract.
 - 1.5.6. Because the community college Maria represents on the board would benefit financially from receiving a Title II grant from the Iowa Department of Education, Maria has a conflict of interest.
 - 1.5.7. Maria must disclose in writing this conflict of interest to the board and recuse herself from all board deliberations and actions relating to the review of the local Title II applications by the board.
 - 1.5.8. The board must respond to Maria's disclosure by taking votes in open session and do each of the following:
 - 1) Accept Maria's disclosure;
 - 2) Include Maria's disclosure in the meeting minutes; and
 - 3) If Maria hasn't already recused herself, exclude Maria from all board deliberations and actions relating to the review of Title II applications and the providing of recommendations to the Iowa Department of Education.
 - 1.5.9. The minutes for the meeting at which the board deliberates and/or takes action on the Title II application must clearly show each of the following:
 - 1) Which board members participated in the deliberations;
 - 2) Which board members voted on the awarding of the contract;
 - 3) How each member voted;
 - 4) That Maria abstained from voting because of a conflict of interest; and
 - 5) The result of the vote.

1.6. A vendor gives a board member a gift.

- 1.6.1. Henry is a board member, representing an organization that provides workforce services and training.
- 1.6.2. Henry goes to a conference in New York City, at which there are many vendors specializing in products relating to workforce services.
- 1.6.3. Henry goes out socializing with a group of other conference attendees and vendors. One vendor puts the group's meals on her company credit card. Henry's meal cost \$35.
- 1.6.4. Three months after the conference, the board posts a request for proposals (RFP) for one-stop operator.
- 1.6.5. The company for which the vendor who placed Henry's meal on her credit card at the conference works submits a bid in response to the board's RFP.
- 1.6.6. Because Henry previously accepted a gift from the vendor that has now submitted a proposal in response to the board's RFP, this is a conflict of interest.
- 1.6.7. Henry must disclose this conflict of interest in writing to the board and recuse himself from all board deliberations and actions relating to the RFP.
- 1.6.8. The board must respond to Henry's disclosure by taking votes in open session to do each of the following:
 - 1) Accept Henry's disclosure;
 - 2) Include Henry's disclosure in the minutes; and
 - 3) If Henry hasn't already recused himself, take a roll call vote to exclude Henry from all board deliberations and action relating to the RFP.
- 1.6.9. The minutes for the meeting at which the board deliberates and/or takes action on the RFP must clearly show each of the following:
 - 1) Which board members participated in the deliberations;
 - 2) Which board members voted on the awarding of the contract;
 - 3) How each member voted;
 - 4) That Henry abstained from voting because of a conflict of interest; and
 - 5) The result of the vote.

2. CONFLICTS OF INTEREST DUE TO A BOARD MEMBER'S FAMILY.

When considering whether a conflict of interest exists due to a board member's family, substitute the board member for the family member. If a board member's family has a private interest that would constitute a conflict of interest if the board member had the same private interest, it is a conflict of interest for the board member.

2.1. A board member's spouse works for an organization that submits a bid in response to a request for proposal by the board.

- 2.1.1. Pat is a board member, representing a one-stop partner agency.
- 2.1.2. Pat's spouse works for an organization that provides workforce services and training to individuals in the community.
- 2.1.3. The board posts a request for proposal for a WIOA Title I program service provider.
- 2.1.4. Pat's spouse tells Pat that the spouse's employer is going to submit a proposal to the board in response to the RFP.
- 2.1.5. Because Pat's spouse works for an organization that would benefit if it is awarded the WIOA Title I program service provider contract by the board, this is a conflict of interest for Pat.
- 2.1.6. Pat must disclose this conflict of interest in writing to the board and recuse her or himself from all board deliberations, discussions, and actions relating to the RFP because of the conflict of interest.
- 2.1.7. The board must respond to Pat's disclosure by taking votes in open session to do each of the following:
 - 1) Accept Pat's disclosure;
 - 2) Include Pat's disclosure in the minutes; and
 - 3) If Pat hasn't already recused her or himself, take a roll call vote to exclude Pat from all board deliberations and action relating to the one-stop operator RFP.
- 2.1.8. The minutes for the meeting at which the board deliberates and/or takes action on the RFP must clearly show each of the following:
 - 1) Which board members participated in the deliberations;
 - 2) Which board members voted on the awarding of the contract;
 - 3) How each member voted;
 - 4) That Pat abstained from voting because of a conflict of interest; and
 - 5) The result of the vote.

2.2. A board member's child sits on the board of an organization that submits a bid in response to a request for proposal by the workforce development board.

2.2.1. Bo is a workforce development board member, representing a business.

2.2.2. Bo's child sits on the board of an organization that provides workforce services and training to individuals in the community.

2.2.3. The workforce development board posts a request for proposal for a WIOA Title I program service provider.

2.2.4. Bo's child tells Bo that the organization for which Bo's child is a board member is going to submit a proposal to the workforce development board in response to the RFP.

2.2.5. Because Bo's child is a board member for an organization that would benefit if it is awarded the WIOA Title I program service provider contract by the workforce development board, this is a conflict of interest for Bo.

2.2.6. Bo must disclose this conflict of interest in writing to the workforce development board and recuse himself from deliberations and actions relating to the RFP because of the conflict of interest.

2.2.7. The workforce development board must respond to Bo's disclosure by taking votes in open session to do each of the following:

- 1) Accept Bo's disclosure;
- 2) Include Bo's disclosure in the minutes; and
- 3) If Bo hasn't already recused himself, take a roll call vote to exclude Bo from all board deliberations and action relating to the RFP.

2.1.9 The minutes for the meeting at which the workforce development board deliberates and/or takes action on the RFP must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the awarding of the contract;
- 3) How each member voted;
- 4) That Bo abstained from voting because of a conflict of interest; and
- 5) The result of the vote.



WORKFORCE DEVELOPMENT BOARDS: Draft Conflict of Interest Policy

1. EFFECTIVE DATE.

This Policy takes effect on _____, 2017.

2. DEFINITIONS.

For purposes of this Policy, the following terms have the following meanings.

2.1. Board.

The State Workforce Development Board under Iowa Code section 84A.1A and WIOA section 101 (State Board), a Local Workforce Development Board under Iowa Code section 84A.4 and WIOA section 107 (Local Board), and any committee created by the State Board or a Local Board.

2.2. Board Member.

A voting or nonvoting member of a board.

2.3. Compensation.

Direct or indirect remuneration, as well as gifts or favors that are not insubstantial.

2.4. Conflict of Interest.

Any private interest of a board member that directly or indirectly, through business, investment, or family, affects the judgment of the board member in a manner that is adverse to the interests of the board or might have the appearance of doing so, including:

- 1) An ownership, investment, or compensation interest in an entity with which the board has a transaction or arrangement;
- 2) A potential ownership, investment, or compensation interest in an entity with which the board is negotiating a transaction or arrangement;
- 3) Receipt of a gift from any entity or individual with which the board has a transaction or arrangement;
- 4) Receipt of a gift from any entity or individual with which the board is negotiating a transaction or arrangement;
- 5) Performing a decision-making or oversight role for an entity or individual with which the board has a transaction or arrangement; or
- 6) Performing a decision-making or oversight role for an entity or individual with which the board is negotiating a transaction or arrangement.

2.5. Disclosure.

A written description of a board member’s actual or possible conflict of interest that includes all material facts related thereto and is submitted to the board for consideration and inclusion in the meeting minutes.

2.6. Gift.

A rendering of anything of value in return for which legal consideration of equal or greater value is not given and received.

2.7. Family.

Parents, siblings, spouse, domestic partner, significant other, children, and grandchildren whether related biologically, through marriage, or through domestic partnership.

2.8. Significant Other.

An individual with whom a board member is romantically involved.

3. APPLICABILITY.

This Policy applies to the State Board and each Local Board in Iowa.

4. BOARD MEMBER DUTIES & RESPONSIBILITIES.

Board members occupy positions of public trust. Board members are obligated to discharge their duties in good faith pursuit of the public good and with undivided loyalty to the board upon which they serve. They must act in the course of their duties solely in the board and public’s best interests. Board members must act without regard to the interests of any other organization with which they are associated or individual with whom they have a relationship. Board members must refrain from taking part in any board matter if they cannot act with undivided loyalty to the board and in the public good.

5. PURPOSE.

The purpose of this Policy is to:

- 5.1. Protect boards when they are contemplating taking action that might benefit the private interests of a board member.
- 5.2. Prevent the private interests of board members from influencing the performance of their duties.
- 5.3. Supplement but not replace any applicable state or federal laws governing conflict of interest applicable to the boards.

6. GOALS.

This Policy’s goals are to:

- 6.1. Raise board member awareness of the possible existence of conflicts of interest.
- 6.2. Educate board members on the types of relationships and situations that might give rise to an actual or possible conflict of interest.

- 6.3. Encourage board members to be proactive in identifying and voluntarily disclosing to the board actual or possible conflicts of interest.
- 6.4. Establish a regular process for board members to follow when an actual or possible conflict of interest arises.
- 6.5. Make clear to the public that conflicts of interest are disclosed, managed, and prohibited when appropriate.

7. PROHIBITED CONDUCT.

Board members are forbidden from:

- 7.1. Participating in board deliberations or board action relating to a matter in which the board member has a conflict of interest.
- 7.2. Accepting compensation from an individual or entity with which the board has entered into an arrangement or transaction or is considering entering into an arrangement or transaction.
- 7.3. Engaging in employment or other activity that involves the use of evidences of board membership, board facilities, board equipment, or board supplies to give the board member or the board member's family an advantage or pecuniary benefit that is not available to other similarly situated individuals of the general public.
- 7.5. Engaging in employment or other activity that involves the receipt of, promise of, or acceptance of compensation by a board member or the board member's family from any individual or entity relating to the board member's performance of any act that the board member would be required or expected to perform as part of the board member's duties.

8. REQUIRED BOARD MEMBER DISCLOSURE.

- 8.1. A board member who believes that he or she has an actual or possible conflict of interest must promptly disclose such to the board.
- 8.2. A board member's disclosure must include all material facts regarding the board member's actual or possible conflict of interest.
- 8.3. If the board member has a conflict of interest, the board member's disclosure must voluntarily recuse the member from any deliberations or votes on the matter before the board that gives rise to the member's conflict of interest.

9. BOARD MEMBER AFFIRMATION.

9.1. New Board Members.

Promptly after a board member's appointment to a board, the board member must sign a statement which affirms such member has:

- 1) Received a copy of this policy;
- 2) Read and understands this policy; and
- 3) Agrees to comply with this policy.

9.2. Annual Re-Affirmation by Sitting Board Members.

Each board member must annually sign a statement which affirms such member has:

- 1) Received a copy of this policy;
- 2) Read and understands this policy; and
- 3) Agrees to comply with this policy.

10. INTERPLAY WITH LEGAL REQUIREMENTS.

This Policy is in addition to, and does not supersede, any requirements that may exist under state or federal law.

11. QUESTIONS.

If you have questions regarding this Policy, please contact:

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