



Balance of State Continuum of Care Conflict of Interest Policy

Conflict of Interest Policy

All Michigan Balance of State Continuum of Care (BoS CoC) Governance Council and/or Committee members will annually complete and sign a Conflict of Interest Statement and Questionnaire that identifies any potential conflicts of interest that may arise, including association with organizations that may have a financial interest in business items coming before the BoS CoC. No Governance Council and/or Committee member may participate in the review or ranking of annual funding applications in which they are the applicant agency as this is a conflict of interest.

Article I – Purpose

- 1) The purpose of this conflict of interest policy is to protect the BoS CoC and to emphasize the BoS CoC's commitment to the highest standards of integrity, fairness, and conduct so as to ensure the maximum public trust.
- 2) This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
- 3) This policy is also intended to identify "independent" members.

The BoS CoC Conflict of Interest Policy **applies to all Governance Council and Committee members.** In their activities on behalf of and in their dealings with the CoC it is the responsibility of each Governance Council and/or Committee member to avoid any actual conflict of interest and the appearance of a conflict of interest. Each person to whom this policy applies must be free of any activity, association, or investment which might influence or give the appearance of interfering with the independent exercise of his or her judgment in conducting the BoS CoC's activities or in dealing with the BoS CoC.

Article II – Definitions

- 1) **Interested person** – Any BoS CoC Governance Council and/or Committee member who has a direct or indirect financial interest, as defined below, is an interested person.
- 2) **Conflict of Interest** - A conflict of interest may exist when the interests or activities of any member, director, or officer may be seen as competing with the interest and activities of the BoS CoC; when the member, director or officer, derives a financial or other material gain as a result of a direct or indirect relationship. Such conflicts are presumed to exist in those circumstances in which a member or director's actions may have a preferential impact upon the agency or entity employing the member or director. Such actions are presumed to include, but



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are not limited to, the development of policies in which a self-serving bias may be present as well as in decisions affecting the allocation of resources. Members of the BoS CoC Governance Council and its Committees may not participate in decisions concerning awards of grants, provisions of financial benefits to such member or the member's organization, or implementing corrective actions as a result from BoS CoC Collaborative Applicant monitoring activities of BoS CoC and ESG activities. They must excuse themselves from the decision making process.

- 1) **Financial interest** – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the BoS CoC has a transaction or arrangement;
 - b. A management position in any entity which has a financial interest, such as serving on the Board of an organization with a financial interest in the BoS CoC;
 - c. A compensation arrangement with the BoS CoC or with any entity or individual with which the BoS CoC has a transaction or arrangement; or
 - d. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the BoS CoC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Committee decides that a conflict of interest exists, in accordance with this policy.

- 2) **Independent member** – A BoS CoC member shall be considered “independent” for the purposes of this policy if he or she is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the member:
 - a. Is not, and has not been for a period of at least three years, an employee of the BoS CoC or any entity that has a financial interest with the BoS CoC;
 - b. Does not directly or indirectly have a significant business relationship with the BoS CoC, which might affect independence in decision-making;
 - c. Is not employed as an executive of another corporation where any of the BoS CoC's Executive Committee members serve on that corporation's compensation committee; and
 - d. Does not have an immediate family member who is an executive officer or employee of the BoS CoC or who holds a position that has a significant financial relationship with the BoS CoC.



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Article III – Procedures

- 1) **Duty to Disclose** – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the conflict and/or financial interest and be given the opportunity to disclose all material facts to the Executive Committee.
- 2) **Recusal of Self** – Any BoS CoC Governance Council and/or Committee member has a duty to recuse himself or herself at any time from involvement in any decision or discussion in which the member believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists. Governance Council members of the BoS CoC should recuse themselves from any decision. Committee members and Executive Committee members should recuse themselves from any discussion and decision.
- 3) **Determining Whether a Conflict of Interest Exists**
 - a. The Executive Committee shall review all Conflict of Interest Annual Statements to determine whether a conflict of interest exists. The Executive Committee shall notify each Executive Committee member of the BoS CoC to review the conflict.
 - b. If an Executive Committee member believes there is a conflict of interest that was not previously identified, the member could ask their fellow member to recuse themselves. The Executive Committee could also vote to take action toward the member in question who had not previously disclosed their conflict of interest.
- 4) **Violations of the Conflicts of Interest Policy**
 - a. If the Executive Committee has reasonable cause to believe a BoS CoC Governance Council and/or Committee member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.



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- c. If a Governance Council and/or Committee member does not disclose their conflict of interest, the Executive Committee may take disciplinary action in the form of suspension of Governance Council and/or Committee member rights until a corrective action plan is completed or removal by the Executive Committee through the decision making process outlined in the Governance Charter.

Article IV – Records of Proceedings

The minutes of the Executive Committee shall contain:

- 1) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Executive Committee's decision as to whether a conflict of interest in fact existed.
- 2) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Annual Statements

- 1) Each BoS CoC Governance Council and/or Committee member shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy;
 - b. Has read and understands the policy; and
 - c. Has agreed to comply with the policy.
- 2) Each member of the BoS CoC Governance Council and its Committees shall annually sign a statement which declares whether such person is an independent member.
- 3) If at any time during the year, the information in the annual statement changes materially, the BoS CoC Governance Council and/or Committee member shall disclose such changes and revise the annual disclosure form at the earliest opportunity.



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- 4) The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

VI – Exceptions and Changes to Policy

The BoS CoC reserves the right to make an exception to this policy and procedures based on communication from HUD that impact the BoS CoC's ability to carry out the policy and procedures as described above. The BoS CoC also reserves the right to amend this policy on an annual basis.