



*****IMPORTANT NOTE: PLEASE READ*****

In drafting this policy, CAPLAW consulted the 2007 Head Start Reauthorization Act, the new Form 990 for the fiscal year ending December 31, 2008, OMB Circular A-110, OMB Circular A-122, the Federal Acquisition Regulations (federal procurement regulations) and whistleblower policies. This policy has not been approved by any outside authority, such as the Internal Revenue Services or the Department of Health and Human Services.

You should review this policy thoughtfully and modify it as necessary to meet the individual needs of your organization and to comply with any applicable state law requirements and grant terms and conditions. This policy is modeled after a policy originally drafted for a Massachusetts CAA and, as a result, may contain some information specific to Massachusetts laws. Thus, we strongly recommend that when working with this policy, you consult with an attorney from your state that is well versed in the laws affecting CAAs.

This policy is an evolving document since the laws affecting this policy as cited above are constantly changing. We will update this policy as necessary and will post revised versions as soon as we possibly can so we strongly recommend checking the CAPLAW website, www.capl原因.org, for such updates on a regular basis.

Lastly, we would greatly appreciate your contacting us either by email at caplawinfo@caplaw.org or by phone at (617) 357-6915 with feedback your organization may have regarding this policy, modified versions of this policy or other policies that you would be willing to share with the CAA community.



Sample Conflict of Interest Policy for CAA/Head Start Grantee Senior Staff

1. **Application of this policy.** This policy covers all Community Action Agency, Inc. (“CAA”) officers who are not members of the CAA Board of Directors and other senior management, other employees and agents, all as designated by the CAA President/CEO, including but not limited to those employees and agents involved in procurement decisions (collectively referred to as “Senior Staff”).

Disclosures are required for the period beginning on September 1 of the year preceding the year the Senior Staff member signs this policy. This policy is in addition to policies in the CAA Personnel Policies Manual.

2. **Required Disclosures.** CAA is required to disclose to the state and federal governments certain information concerning relationships and transactions between and among Senior Staff, with CAA Board members, with family members of Senior Staff (including Immediate Family members as defined herein, as well as grandparents, great grandparents, and grandchildren and great grandchildren), and with entities with which the Senior Staff is associated (“Related Party Transactions”).

Senior Staff should list these disclosures at the end of this Policy. Information to be disclosed includes the following:

- (A) Does the Senior Staff member have a family or business relationship with a CAA Board member or other Senior Staff member?

A “business relationship” does not include a relationship between (1) attorney and client, (2) medical professional (including psychologist) and patient, or (3) priest/clergy and penitent/communicant.

- (B) Are any Senior Staff members, either personally, through family members, or through entities with which they are associated, involved in, or do they intend to become involved in, any transaction or relationship with CAA, its subsidiaries or delegate agencies (other than as CAA Senior Staff)?
- (C) CAA Officers only - Has CAA made a grant award or contribution to any organization with which the CAA officer has a relationship?

(D) *“Immediate Family” includes:*

- *Spouse*
- *Parent*
- *Child (including adopted)*
- *Sibling*
- *Father-in-law, Mother-in-law*
- *Brother-in-law, Sister-in-law*
- *Son-in-law, Daughter-in-law*

3. **Prohibited participation in contracts.** No CAA employees, including Senior Staff, shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Such a conflict would arise when:

- a. the employee;
- b. any member of the employee’s Immediate Family (as defined above);
- c. his or her partner; or
- d. an organization which employs or is about to employ any of the above parties,
- e. has a direct or indirect financial or other interest in the firm, organization or individual selected for an award.

4. **Prohibited provision of professional services.** Employees of CAA, including Senior Staff, may not be paid, outside of their approved salary and benefits, for any professional or consulting services provided to CAA.

5. **Gifts to Senior Staff.** Employees of CAA, including Senior Staff, are prohibited from soliciting or accepting gifts, money, or gratuities, other than those of nominal value, from:

- Persons receiving benefits or services under any CAA program;
- Any person or organization performing services for or providing goods to CAA; or
- Persons or organizations who are otherwise in a position to benefit from the actions of CAA Senior Staff.

“Nominal value” is \$50 or less per instance and \$150 or less per calendar year.

6. **Continued disclosure obligation.** If, after signing this policy, a Senior Staff member becomes involved in, or intends to become involved in, or becomes aware of an existing, Related-Party Transaction, any activity or transaction prohibited by this Policy, or any other actual or apparent conflict of interest, the Senior Staff member shall promptly notify the CAA President/CEO.

7. **Procedure for addressing Related Party Transactions and conflicts of interest.**

- (a) Except as set forth in (c) below, the CAA President/CEO and/or his designee(s) shall address all Related Party Transactions and actual and potential conflicts of interest

involving a Senior Staff member by first determining if the Related Party Transaction or conflict of interest is prohibited under paragraphs 3, 4 and/or 5 of this policy or by any other applicable laws, regulations, and requirements. If it is prohibited, then the CAA President/CEO shall determine the appropriate course of action, consistent with legal requirements and CAA's Personnel Policies, to eliminate the prohibited conflict or conduct.

- (b) If the Related Party Transaction or conflict of interest is not prohibited, then the CAA President/CEO and/or his designee(s) shall determine whether, all factors considered, the transaction under consideration is fair and reasonable to, and is in the best interests of, CAA. The CAA President/CEO and/or his designee(s) shall review, where appropriate, information concerning alternatives to the transaction; comparable transactions entered into by other parties and organizations; independent appraisals; and/or any other relevant factors. For this purpose, a "transaction" may include an ongoing business, contractual, or grant relationship.
- (c) The CAA President/CEO shall disclose his involvement in a Related Party Transactions, prohibited conduct under this policy, and/or actual or potential conflicts of interest to the Chairperson of the CAA Board of Directors. The Chairperson shall follow the same procedures that the CAA President/CEO or his designee(s) follow when a Senior Staff member discloses his or her involvement in a Related Party Transaction and/or actual or potential conflict of interest.

By signing here, I acknowledge that I have read and agree to abide by this policy and (check one):

_____ am not, to the best of my knowledge, a participant in any Related Party Transaction, actual or potential conflict of interest, contract described in paragraph 3, provision of professional services, gift, or any other transaction required to be disclosed by this policy, including but not limited to the disclosures required by paragraphs 2, 3, 4 and 5, above.;
or

_____ have disclosed below, to the best of my knowledge, any Related Party Transactions, actual or potential conflict of interest, contract described in paragraph 3, provision of professional services, gift, or any other transaction required to be disclosed by this policy, including but not limited to the disclosures required by paragraphs 2, 3, 4 and 5, above.

Disclosures are required for the period beginning on September 1 of the year preceding the year the Senior Staff member signs this policy.

Disclosure: _____

Printed Name

Signature

Date