

**827**

**CONFLICT OF INTEREST – FEDERAL AWARDS**

BOARD ADOPTED DECEMBER 19, 2016

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**827 CONFLICT OF INTEREST – FEDERAL AWARDS**

**A. PURPOSE**

1. This policy shall set standards of conduct covering conflict of interest and governing employees, officers, board members or agents of the Carbon Lehigh Intermediate Unit (CLIU) who engage in the selection, award and administration of contracts supported by a federal award.

**B. AUTHORITY**

1. The Board directs the Executive Director and/or his/her designee(s) to administer this policy.

**C. DEFINITIONS**

1. **Conflict or Conflict of Interest** shall mean use by CLIU employees, officers, board members or agents of the authority of his/her office or employment, or any confidential information received through his/her holding public office or employment, for the private pecuniary benefit or him/herself, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated.
2. **Financial interest** shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.
3. **Immediate family** shall mean a parent, parent-in-law, spouse, domestic partner, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister.
4. **Business partner** shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.

**D. RESPONSIBILITY**

1. Each CLIU employee and Board member shall be responsible to maintain the CLIU standards of conduct to avoid conflicts of interest.

**E. GUIDELINES**

1. All CLIU employees and Board members shall be provided with a copy of this policy.

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- 33 2. **Standards of Conduct** covering conflicts of interest and governing the actions of CLIU  
34 employees and Board members engaged in the selection, award and administration of contracts  
35 are as follows:
- 36 a. No CLIU employee, officer, Board member or agent may participate in the selection, award  
37 or administration of a contract supported by a federal award, if s/he has a real or apparent  
38 conflict of interest. Such a conflict of interest would arise when the CLIU employee, officer,  
39 Board member or agent, any member of his/her immediate family, his/her business partner, or  
40 an organization which employs or is about to employ any of them, has a financial or other  
41 interest in or a tangible personal benefit from a firm considered for a contract.
- 42 b. Any CLIU employee who would normally participate in a decision regarding the selection,  
43 award or administration of a contract that would result in a conflict of interest, shall abstain  
44 from the decision making process, and disclose the nature of his/her interest in a written  
45 statement to be included with documentation supporting the decision.
- 46 c. Any Board member who in the discharge of his/her official duties would be required to vote  
47 on a matter that would result in a conflict of interest shall abstain from voting and, prior to the  
48 vote being taken publicly announce and disclose the nature of his/her interest as a public  
49 record in a written statement to be attached to the Board minutes.
- 50 d. CLIU employees or Board members may neither solicit nor accept gratuities, favors or  
51 anything of monetary value from contractors or parties to subcontracts, unless the items are  
52 unsolicited and of nominal value. Items of a nominal value may be accepted in accordance  
53 with Board policy. Items considered to be of nominal value shall include any gift,  
54 hospitality, transportation, or lodging that may be accepted under Pennsylvania's Ethics Act,  
55 but shall be subject to reporting on a Statement of Financial Interest if the value thereof is  
56 such as to require reporting under the Ethics Act.
- 57 3. **Organizational conflicts of interest** may exist when due to the CLIU's relationship with a  
58 subsidiary, affiliated or parent organization that is a candidate for award of a contract in  
59 connection with federally funded activities, the CLIU may be unable or appear to be unable to be  
60 impartial in conducting a procurement action involving a related organization. In the event of a  
61 potential organizational conflict, the potential conflict shall be reviewed by the Executive  
62 Director or designee to determine whether it is likely that the CLIU would be unable or appear to  
63 be unable to be impartial in making the award. If such likelihood exists, this shall not disqualify  
64 the related organization; however, the following measures shall be applied:
- 65 a. The organizational relationship shall be disclosed as part of any notices to potential  
66 contractors;
- 67 b. Any CLIU employees or officials directly involved in the activities of the related organization  
68 are excluded from the selection and award process;
- 69 c. A competitive bid, quote or other basis of valuation is considered; and

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70 d. The Board has determined that contracting with the related organization is in the best  
71 interests of the program involved.

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73 **F. REPORTING**

- 74 1. Any perceived conflict of interest that is detected or suspected by any employee or third party  
75 shall be reported to the Executive Director. If the Executive Director is the subject of the  
76 perceived conflict of interest, the employee or third party shall report the incident to the Board  
77 President.
- 78 2. Any perceived conflict of interest of a Board member that is detected or suspected by any  
79 employee or third party shall be reported to the Board President. If the Board President is the  
80 subject of the perceived conflict of interest, the employee or third party shall report the incident to  
81 the Executive Director, who shall report the incident to the Solicitor.
- 82 3. No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.

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84 **G. INVESTIGATIONS**

- 85 1. Investigations based on reports of perceived violations of this policy shall comply with state and  
86 federal laws and regulations. No person sharing in the potential conflict of interest being  
87 investigated shall be involved in conducting the investigation or reviewing its results.
- 88 2. If an investigation results in a finding that the complaint is factual and constitutes a violation of  
89 this policy, CLIU will take prompt, corrective action to ensure that such conduct ceases and will  
90 not recur, and document the corrective action taken.
- 91 3. In the event an investigation determines that a violation of this policy has occurred involving a  
92 federal award, the violation shall be reported to the federal awarding agency in accordance with  
93 that agency's policies.

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95 **H. DISCIPLINARY ACTION**

- 96 1. Violations of this policy may result in disciplinary action up to and including discharge, fines and  
97 possible imprisonment. Disciplinary actions shall be consistent with Board policies, procedures,  
98 applicable collective bargaining agreements and state and federal laws.