

Conflict of Interest Policy Metropolitan Denver Continuum of Care Members

ARTICLE I - PURPOSE

- 1) The purpose of this CoC membership conflict of interest policy is to protect the Metropolitan Denver Continuum of Care (the “CoC”) and to emphasize the 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 Metropolitan Denver CoC Member Conflict of Interest Policy **applies to all CoC members**, including members of the board of directors (the “Board”), council and committee members, and members voting at the annual stakeholder meeting or in any other capacity. In their activities on behalf of and in their dealings with the CoC it is the responsibility of each CoC 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 CoC’s activities or in dealing with the CoC.

ARTICLE II – CONFLICT OF INTEREST AND RECUSAL

- 1) **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 CoC; or when a 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 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.

Any matter in which CoC members have an actual or potential conflict of interest will be decided by a vote of members with no actual or potential conflict of interest.

- 2) **Duty to Disclose** – CoC members shall disclose potential conflicts of interest that they may have regarding any matters that come before the CoC in all CoC meetings and decision-making processes, including Board meetings, council meetings, and committee meetings. CoC members must disclose any relationship, financial interest or other information that presents an actual or potential conflict of interest.

- 3) **Direct Benefit: Recusal from Discussions and Decisions Required** – No CoC member shall participate in or influence discussions or resulting decisions concerning the award of grants or other financial benefits that:
 - a. Directly benefit the CoC member as an individual, or an immediate family member;
 - b. Directly benefit any organization in which the CoC member has a direct financial interest;
 - c. Directly benefit any organization with which the CoC member is affiliated in an official capacity; or
 - d. Directly benefit any organization from which the CoC member derives financial benefit, exclusive of stipends.

- 4) **Corrective Actions: Recusal from Discussions and Decisions Required** – No CoC member shall participate in or influence discussions or resulting decisions concerning implementing corrective actions concerning the member or the member’s organization resulting from monitoring of CoC activities.

- 5) **Other Actual or Potential Conflicts of Interest** – For matters not covered by sections 3 or 4 above, if an actual or potential conflict exists, the CoC member shall not participate in the decision, but may participate in the discussion after disclosing, during the discussion, the relationship, financial interest, or other information presenting the actual or potential conflict of interest.

The Executive Committee of the Board may determine that a disclosed relationship, financial interest, or other information does not present a conflict of interest. In this case, the CoC member is not precluded from participating in the discussion or the decision.

In addition, the minutes of any meeting at which such a discussion and decision is conducted must reflect the disclosure of interested directors’ or committee/council members’ actual or potential conflicts of 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 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 CoC;
- c. A compensation arrangement with the CoC or with any entity or individual with which the 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 CoC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

6) **Examples**

- a. **NOFA** – CoC members whose organizations have projects that are ranked during the Notice of Funding Availability (NOFA) process shall not participate in decisions on ranking policies, and shall not participate in discussions or decisions regarding project rankings or funding recommendations. Such members may participate in the development of performance targets and evaluation tool(s).
- b. **Receipt of Services** - A potential conflict arising from persons with lived homeless experience receiving services from an organization that may directly benefit from a funding decision shall not preclude discussion or voting on funding decisions.

7) **Gift Policy** – In order to avoid even the appearance of impropriety, Board members may not accept any gifts valued at \$50 or more from, or on behalf of, a Member or potential Member, a Grantee or potential Grantee, MDHI’s staff, or other members of the Board of Directors. “Gifts” do not include reimbursement from MDHI for meals, lodging, and transportation as covered under MDHI’s approved Reimbursement Policy.

8) **Violations of the Conflict of Interest Policy**

- a. If the Board has reasonable cause to believe a CoC 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 Board determines the member has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action including but not limited to a statement of reprimand or censure recorded in the minutes of the Board of Directors meeting, revocation of membership from the CoC, and legal action (including but not limited to civil and/or criminal prosecution).

ARTICLE III – RECORDS OF PROCEEDINGS

The minutes of the Board shall contain:

- 1) The names of the persons who disclosed or otherwise were found to have a relationship or financial interest in connection with an actual or possible conflict of interest, the nature of the relationship or financial interest, any action taken to determine whether a conflict of interest was present, and the Board’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 IV – ANNUAL STATEMENTS

- 1) Each CoC 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 CoC member shall annually sign a statement which declares whether such person is an independent member as defined below.

- 3) If at any time during the year, the information in the annual statement changes materially, the CoC member shall disclose such changes and revise the annual disclosure form at the earliest opportunity.

- 4) The Board 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.

- 5) A 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 CoC or any entity that has a financial interest with the CoC;
 - b. Does not directly or indirectly have a significant business relationship with the CoC, which might affect independence in decision-making;
 - c. Is not employed as an executive of another corporation where any of the CoC’s Board 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 CoC or who holds a position that has a significant financial relationship with the CoC.

ARTICLE V – EXCEPTIONS AND CHANGES TO POLICY

The CoC, through the Board, reserves the right to make an exception to this policy and procedures based on communication from HUD that impact the CoC’s ability to carry out the policy and procedures as described above. The Board also reserves the right to amend this policy as necessary.