



Conflict of Interest Policy

Wake Continuum of Care Members

No member may participate in or influence discussions and/or decisions concerning the award of a grant or other financial benefits to the organization that the member represents or to themselves as individuals. Therefore, any individual participating in or influencing decision making must identify actual or perceived conflicts of interest as they arise and comply with the letter and spirit of this policy. Disclosure should occur at the earliest possible time and if possible, prior to the discussion of any such issue. Individuals with a conflict of interest should abstain from discussion and voting on any issue in which they may have a conflict. A Conflict of Interest Policy will be approved by the Continuum of Care annually.

In addition to complying with [24 CFR 578.95](#) and all other applicable state and federal law, the following Conflict of Interest Policy shall apply to all Wake County NC 507 Continuum of Care members, including the Board of Governors and Funding Review Committee.

Article I – Purpose

1. The purpose of this CoC membership conflict of interest policy is to protect the Wake Continuum of Care (CoC) and to emphasize the Wake 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 Wake CoC Member Conflict of Interest Policy **applies to all CoC Members** (inclusive of Voting Members, CoC Board Members and Committee Members). 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 – Definitions

- 1) **Interested person** – Any CoC 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 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 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 Wake Continuum of Care (Voting Members, Committee Members, and/or Board Members) 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 CoC Collaborative Applicant monitoring activities of CoC and ESG activities. They must excuse themselves from the decision-making process.
- 3) **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 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.
 - ii) 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 Board decides that a conflict of interest exists, in accordance with this policy.
- 4) **Independent member** – 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 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 Board.
- 2) Recusal of Self** – Any CoC 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. Voting Members of the Wake Continuum of Care should recuse themselves from any decision. Committee Members and Board Members should recuse themselves from any discussion and decision.
- 3) Determining Whether a Conflict of Interest Exists** – The Board shall review all Conflict of Interest Annual Statements to determine whether a conflict of interest exists. The Board shall notify each member of the CoC to review the conflict.
- 4) Violations of the Conflicts 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, it shall take appropriate disciplinary and corrective action.

Article IV – 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 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 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 V – Annual Statements

- 1) Each CoC Member (inclusive of Voting Members, CoC Board Members and Committee Members) 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 CoC 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 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.

VI – Exceptions and Changes to Policy

The CoC reserves the right to make an exception to this policy and procedures based on communication from HUD, in compliance with CFR 578.95, that impact the CoC's ability to carry out the policy and procedures as described above. The CoC also reserves the right to amend this policy on an annual basis. *In the event of a conflict between 24 CFR 578.96 and this conflict of interest policy, the CFR provision shall control.*