

SUBJECT:	LEADERSHIP ROLES, STRUCTURE & RESPONSIBILITIES		
POLICY TITLE:	CONFLICTS OF INTEREST		
RESPONSIBLE PARTY:	BOARD OF DIRECTORS		
POLICY #:	LD 114	EFFECTIVE DATE:	02/16
# OF PAGES:	4	REVISION/APPROVAL DATE:	02/16
APPROVED BY:	THE BOARD OF DIRECTORS		

APPLICABLE LAWS, REGULATIONS AND/OR STANDARDS:

Federal Laws:

N/A

State Laws:

N/A

Regulations:

A.A.C. R21-6-203. *Conflicts of Interest*

COA Standards:

[ETH 2: Conflict of Interest](#)

[GOV 6: Governance Responsibilities](#)

[HR 1: Work Environment](#)

[HR 5: Human Resource Practices](#)

POLICY

Members of the Board of Directors and staff of Arizona’s Children Association (AzCA) shall, during the course of performing services for the agency, maintain the highest standards of ethical behavior, integrity and public responsibility. Actual, potential and/or perceived conflicts of interest may damage the agency’s reputation and must be avoided. Doubts as to whether an actual, potential or perceived conflict exists must be resolved by full disclosure and reporting as set forth in this Policy.

A conflict of interest is defined as any situation where an agent of AzCA enters into a relationship, agreement, partnership or transaction on behalf of AzCA which may benefit the private interests of that agent. AzCA will consider and reveal any potential conflicts of interest prior to engaging in contractual agreements with individuals or other organizations. AzCA’s bylaws (Schedule B), the NASW Code of Ethics and Section 4958(f)(1) of the Internal Revenue Code of 1986, as amended provide guidance and direction regarding conflicts of interest. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations, and it shall be interpreted in a manner consistent with the limitations and restrictions imposed under applicable tax laws.

Examples of potential conflicts of interest may include, but are not limited to:

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- Holding any ownership interest in a business or profession that provides goods or services to the agency;
- Having a financial or other interest in a transaction with the agency;
- Acting in multiple capacities either within or without the agency in any matter or transaction relating to the agency;
- Receiving compensation for services to the agency, other than approved compensation for staff;
- Accepting favors, gifts, gratuities, or taking part in any activities or transactions that relate to, affect or influence decisions made for, regarding, or on behalf of the agency;
- Using donor information or relationships inappropriately or in ways that might damage donor confidentiality and/or relationships with the agency;
- Participating in any arrangements or transactions which might give the appearance of a conflict of interest.

Further, in order to prevent any potential conflict of interest, AzCA will not accept as an applicant for foster home licensing any of the following:

1. Any employee, intern or volunteer of the agency;
2. Any service provider or contractor of AzCA;
3. A person identified as a major donor to AzCA;
4. Any person related by blood or marriage to an employee of AzCA; including any biological, adoptive or step child, grandchild, parent, parent of spouse, grandparent, grandparent of spouse, sibling, sibling of spouse, aunt or uncle.

When potential conflicts of interest are identified by a client, use of the agency's grievance and complaint process should be encouraged to ensure that impartial, neutral parties can assist in further researching and resolving any potential conflicts of interest ([RI 201.02 Grievance – Behavioral Health](#); [RI 201.02 Grievance – Child Welfare](#)).

PROCEDURES

01 CONFLICTS OF INTEREST - BOARD OF DIRECTORS

- 1.0. Each member of the Board of Directors is to review and confirm annually in writing his/her confirmation of receipt of the Conflict of Interest requirements as outlined in the agency's bylaws (Schedule B); that the requirements have been read and understood; and the director's agreement to comply with the requirements.

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02 CONFLICTS OF INTEREST – STAFF, INTERNS & VOLUNTEERS

- 2.0. AzCA employees, interns and volunteers will reveal potential conflicts of interest with regard to specific clients or contracts immediately to their supervisor.
- 2.1. The supervisor will consult with the program director to determine whether an actual conflict exists. If so, the supervisor will communicate the conflict of interest with the client. The supervisor will determine if it is necessary to reassign the staff person, taking into consideration the ethical implications as well as the client’s wishes.
- 2.2. Clients that identify a potential conflict of interest are to be referred to the agency’s grievance and complaint process to ensure that impartial, neutral parties can assist in further researching and resolving any potential conflicts of interest ([RI 201.02 Grievance – Behavioral Health](#); [RI 201.02 Grievance – Child Welfare](#))
- 2.3. In addition to the conflict of interest standards described in NASW Code of Ethics ([RI-A NASW Code of Ethics](#); and [RI-B NASW Código de Etica](#)), AzCA employees, interns and volunteers are expected not to engage in dual or multiple relationships with clients or former clients. In instances where multiple relationships are unavoidable, social workers should take steps to protect clients and are responsible for setting clear, appropriate boundaries. Social workers shall disclose all such relationships with their immediate supervisor and a written acknowledgment, from the client, regarding this disclosure will be retained on file.
- 2.4. AzCA does not permit employees to offer their private practice services on its premises. Personnel who are leaving the agency for private practice and wish to transfer a client to their practice will seek approval from the respective Vice President or President & CEO.
- 2.5. AzCA prohibits: making or accepting payment or other consideration in exchange for referrals; steering, directing referrals to, or giving preference to clients easier or less costly to serve for the organization and practitioners within the organization; and steering or directing referrals to private practices in which personnel, consultants, or the immediate families of personnel and consultants are engaged.
- 2.6. AzCA prohibits preferential treatment of organization members, community partners, members of the organization's governing body, advisory boards, personnel, or consultants applying for and receiving the organization’s services.



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03 VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY – BOARD OF DIRECTORS

- 3.0. If the disinterested Directors have reasonable cause to believe that the interested Director has failed to disclose an actual or possible conflict of interest, the disinterested Directors shall inform the interested Director of the basis for such belief and afford the interested Director an opportunity to explain the alleged failure to disclose.
- 3.1. If, after hearing the response of the interested Director and making such further investigation as may be warranted in the circumstances, the disinterested Directors determine that the interested Director has, in fact, failed to disclose an actual or possible conflict of interest, they shall take appropriate disciplinary and corrective action.

04 VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY – EMPLOYEES, INTERNS & VOLUNTEERS

- 4.0. Any employee, intern or volunteer who becomes aware of any potential conflict of interest is to immediately report the incident to their immediate supervisor, program director, or applicable Vice President. The Program Director shall meet with the employee, intern or volunteer who is alleged to have participated in the conflict of interest and afford the employee, intern or volunteer an opportunity to respond to the allegations.
- 4.1. If, after hearing the response of the involved employee, intern or volunteer and making such further investigation as may be warranted in the circumstances, the Program Director determines that the employee, intern or volunteer has, in fact, failed to disclose an actual or possible conflict of interest, they shall take appropriate disciplinary and corrective action.

05 ANNUAL STATEMENTS

All persons covered by this Policy shall annually complete and sign a Disclosure Form for the Conflict of Interest Policy. The annual disclosure form shall affirm that such person: (a) has received a copy of this Policy; (b) has thoroughly read and completely understands this Policy; and (c) has agreed to comply with this Policy.

