

<b>SUBJECT:</b>	<b>LEADERSHIP ROLES, STRUCTURE &amp; RESPONSIBILITIES</b>		
<b>POLICY TITLE:</b>	<b>CONFLICTS OF INTEREST</b>		
<b>RESPONSIBLE PARTY:</b>	<b>BOARD OF DIRECTORS</b>		
<b>POLICY #:</b>	<b>LD 114</b>	<b>EFFECTIVE DATE:</b>	<b>02/16</b>
<b># OF PAGES:</b>	<b>5</b>	<b>REVISION/APPROVAL DATE:</b>	<b>1/21</b>
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**APPLICABLE LAWS, REGULATIONS AND/OR STANDARDS:**

**Federal Laws:**

[2 CFR § PART 200.317-326](#)

**State Laws:**

N/A

**Regulations:**

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

**COA Standards:**

~~ETH 2: Conflict of Interest~~ ~~GOV 7: Conflict of Interest~~

~~GOV 6: Governance Responsibilities~~ ~~GOV 5: Governing Body Responsibilities~~

~~HR 1: Work Environment~~

~~HR 5: Human Resource Practices~~

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**POLICY**

All employees, interns, volunteers and Board Members 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, affect federal and state funding, 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 A), 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. In the event there is an inconsistency between the requirements and the procedures prescribed herein and those in federal or state law, the law shall control.

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

- 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 (i.e. a Board Member providing services to a client on behalf of the agency, an employee engaging in outside employment that overlaps with their duties at the agency, a supervisor involving their employees in a private business arrangement, etc.)

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, volunteer or Board Member of AzCA;
2. Any service provider or contractor of AzCA;
3. Any person identified as a major donor to AzCA;
4. Any person that has a significant relationship with an employee, intern, volunteer or Board Member. A significant relationship may include: family relation by blood or marriage, members of the same household, close friends, professional acquaintances, or any other relationship deemed significant by the CEO and/or Chairperson of the Board.

Further, AzCA Board Members are prohibited from providing services to a client on behalf of the agency. Both paid and unpaid services, employment, service delivery and/or mentoring opportunities are not permitted to be provided to clients by Board Members. This exclusion does not cover occasional volunteer/non-service delivery activities.

[AzCA sets expectations and guidance to prohibit nepotism for employees, interns, contractors and members of the Board of Directors \(HR 811 – Offers of Employment & Nepotism\).](#)

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

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further researching and resolving any potential conflicts of interest ([RI 201.02 Grievance – Behavioral Health](#); [RI 201.02 Grievance – Child Welfare](#)).

**PROCEDURES**

**1.0 CONFLICTS OF INTEREST - BOARD OF DIRECTORS**

- 1.1 Before approving any proposed transaction or arrangement, the Board and/or applicable Committee Chair shall evaluate whether any party to the proposed transaction or arrangement may have a potential conflict of interest. ~~A list of persons who are~~
- 1.2 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 A); that the requirements have been read and understood; and the director’s agreement to comply with the requirements.

**2.0 CONFLICTS OF INTEREST – STAFF, INTERNS & VOLUNTEERS**

- 2.1 AzCA employees, interns and volunteers will reveal potential conflicts of interest with regard to specific clients or contracts immediately to their supervisor.
- 2.2 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.
- 2.3 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](#))
- 2.4 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

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supervisor and a written acknowledgment, from the client, regarding this disclosure will be retained on file.

2.5 In instances where an AzCA employee, intern or volunteer has a relationship with the client prior to the start of their treatment/services, it is required that the AzCA employee, intern or volunteer disclose this relationship to his/her immediate supervisor prior to beginning service delivery with the client. The supervisor should discuss with the AzCA employee, intern or volunteer the extent of the relationship (friendship, acquaintance, length of time, etc.) and the impact the relationship may/may not have on the treatment/service delivery for the client. If it is determined that providing treatment/service delivery to the client by this individual would be counterproductive to the treatment of the client, the case is to be reassigned and if not possible, the supervisor will assist in aiding the client in locating another service provider.

2.5.1 These restrictions also apply to supervisors who oversee cases. In instances where it has been determined that the supervisor has a conflict of interest, the supervisor must disclose this conflict so that the client can be reassigned to a different team and/or location.

2.6 AzCA discourages employees, interns or volunteers from referring family members to services at AzCA. However, if it cannot be avoided due to limitations of services in the area, the employee, intern or volunteer must first notify his/her supervisor of the potential conflict. The supervisor will then meet with the appropriate Program and/or Clinical Director to review the situation and determine the best course of action. If it is decided that the family member should receive services at AzCA, a written plan for addressing the areas of potential conflict will be developed, written and implemented prior to the client starting services. This plan is to be sent to the Chief Compliance & Quality Officer for final review and approval.

2.7 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 President & CEO or designee.

2.8 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.

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2.9 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.

2.10 AzCA employees, officers, agents, interns and volunteers may not participate in the selection, award and administration of a contract supported by a Federal award if there is a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, agent, intern, volunteer, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. An AzCA employee, officer, agent, intern or volunteer may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

**3.0 VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY – BOARD OF DIRECTORS**

3.1 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.

3.2 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.

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

4.1 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 Executive Team member. The Program/Department 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.

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4.2 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.

**5.0 ANNUAL STATEMENTS**

5.1 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.

