



## ***Save the Family Foundation of Arizona and ARM of Save the Family Conflict of Interest Policy and Disclosure***

This conflict of interest policy is designed to 1) help directors, officers, employees and contractors of the Save the Family and/or ARM of Save the Family to identify situations that present potential conflicts of interest and 2) provide Save the Family and ARM of Save the Family with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, employee or contractor has or may have a conflict of interest with respect to the transaction.

This policy is intended to comply with the procedures prescribed in HUD regulations governing CDBG, HOME, and ESG activities, and with 24 CFR Part 84 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit organizations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in HUD regulations or 24 CFR 84, HUD regulations and the requirements of 24 CFR 84 shall control.

All capitalized terms are defined in Part 2 of this policy.

1. **Conflict of Interest Defined.** For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:
  - a. **Outside Interests.**
    - i. A Contract or Transaction between Save the Family and/or ARM of Save the Family and a Responsible Person or Family Member.
    - ii. A Contract or Transaction between Save the Family and/or ARM of Save the Family and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
  - b. **Outside Activities.**
    - i. A Responsible Person competing with Save the Family and/or ARM of Save the Family in the rendering of services or in any other Contract or Transaction with a third party.
    - ii. Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with ARM of Save the Family in the provision of services or in any other Contract or Transaction with a third party.
  - c. **Gifts, Gratuities and Entertainment.** A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:
    - i. does or is seeking to do business with, or is a competitor of Save the Family and/or ARM of Save the Family or its affiliates ; or
    - ii. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from Save the Family and/or ARM of Save the Family;

- iii. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value (less than \$50 in any one calendar year) which are not related to any particular transaction or activity of Save the Family and/or ARM of Save the Family.

## **2. Definitions.**

- a. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
- b. A "Responsible Person" is any person serving as an officer, employee, consultant, contractor, member of the Board of Directors of Save the Family and/or ARM of Save the Family or its parent organization.
- c. A "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship. The making of a gift to Save the Family and/or ARM of Save the Family is not a Contract or Transaction.

## **3. Procedures and Remedies – Directors and Officers.**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest and recuse themselves from the decision-making process. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of Save the Family and/or ARM of Save the Family has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.

#### 4. **Procedures and Remedies – Other Responsible Persons.**

- a. Responsible Persons who are not members of the Board of Directors of Save the Family and/or ARM of Save the Family, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the CEO or his/her designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Conflict of Interest disclosure form shall be maintained in the personnel, client, or transaction file as appropriate.
- b. The CEO shall make the final determination as to whether a Conflict of Interest exists.
- c. The Responsible Person shall refrain from any action that may affect Save the Family and/or ARM of Save the Family's participation in such Contract or Transaction.
- d. The Responsible Person may be: exempted from the Conflict if the Conflict is remote (e.g. an employee owns a small amount of stock in a corporation that is bidding work); recused from the transaction unless a financial interest is substantial.

5. **Confidentiality.** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of Save the Family and/or ARM of Save the Family. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Save the Family and/or ARM of Save the Family for the personal profit or advantage of the Responsible Person or a Family Member.

#### 6. **Review of policy.**

- a. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- b. Each Responsible Person shall **annually** (at the beginning of each calendar year) complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to Save the Family and/or ARM of Save the Family. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the CEO, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.
- d. All Responsible Persons shall annually complete the Save the Family and/or ARM of Save the Family Conflict of Interest Form.

#### 7. **Determination Process**

- a. All responsible persons will review the Conflict of Interest policy and procedures.
- b. When a responsible person is aware of an actual or potential Conflict of Interest, either their own or that of another responsible person, they must complete and submit a Conflict of Interest Disclosure form to their immediate supervisor, disclosing the facts or circumstances of the potential Conflict of Interest.
- c. No action will be taken regarding the transaction that is the subject of an actual or potential conflict of interest, until a final determination is made.

## **8. Exceptions.**

- a. Save the Family and/or ARM of Save the Family may request in writing an exception from the funder and HUD. Requests for exceptions will be made only when:
  - i. The exception would provide a significant cost benefit or an essential degree of expertise that would otherwise not be available;
  - ii. The person affected is otherwise an eligible beneficiary of the assisted activity, and the exception will permit such person to receive generally the same interest or benefits as are being made available or provided to other beneficiaries;
  - iii. The affected person has withdrawn from his or her function or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
  - iv. The interest or benefit was present before the affected person was in a position constituting the conflict of interest;
  - v. Undue hardship would result for the funder, Save the Family and/or ARM of Save the Family or the affected person when weighed against the public interest served by avoiding the prohibited conflict.
- b. When requesting an exception to this policy, Save the Family and/or ARM of Save the Family will publicly disclose the conflict in accordance with funder and/or HUD requirements.

## **9. Policies specific to HOME funds.**

- a. In addition to defined conflicts of interest in Section 1 of this policy, conflicts of interest shall include:
  - i. A Contract or Transaction between Save the Family and/or ARM of Save the Family and a Responsible Person or Family Member shall include any unit benefits or financial assistance associated with HOME projects or programs administered by Save the Family and/or ARM of Save the Family, except employees or agents who occupy HOME-assisted units as the on-site project manager or maintenance worker, including:
    1. Occupancy of a rental housing unit in a HOME-assisted rental project;
    2. Receipt of HOME tenant-based rental assistance;
    3. Purchase or occupancy of a homebuyer unit in a HOME-assisted project;
    4. Receipt of HOME homebuyer acquisition assistance; and/or
    5. Receipt of HOME owner-occupied rehabilitation assistance.
- b. Responsible Person as defined in Section 2 of this policy shall include a member of Congress of the United States, official or employee of HUD, and official or employee of the state or local HOME Participating Jurisdiction.

## **10. Penalties**

- a. Any Responsible Person who knowingly and deliberately violates the provisions of this policy will be open to civil suit by Save the Family and/or ARM of Save the Family without the legal protection of Save the Family and/or ARM of Save the Family. Violation of these procurement standards is grounds for employee dismissal or such sanctions as available under the law (if an elected official).
- b. Any contractor or potential contractor who knowingly and deliberately violates the provisions of these procurement standards will be barred from future transactions with Save the Family and/or ARM of Save the Family.