



Policy/Procedure Statement

- POLICY NO.: C- 003
- ISSUE DATE: October 1, 2013
- REVISED ON: January 1, 2017
- ORIGINATOR: COMPLIANCE OFFICER

SUBJECT: CONFLICT OF INTEREST POLICY

I. POLICY:

It is the policy of Detroit Wayne Mental Health Authority (“Authority”) that representatives of the Authority (i) may not have a direct or indirect interest (financial, personal or otherwise) in a corporation or business, (ii) engage in a professional activity, or (iii) incur an obligation of any nature, that is in conflict with, or might reasonably tend to influence, the discharge of the representative’s official duties on behalf of the Authority.

II. APPLICATION:

This Conflict of Interest Policy applies to all Authority, executives, and employed and contracted staff (collectively, “Staff”). The Authority Board has as separate Conflict of Interest Policy.

III. CONFLICT OF INTEREST:

- 3.1 An actual or potential conflict of interest occurs when there is a deviation between an individual’s private interests and his or her legal or professional obligations to the Authority, such that an independent observer might reasonably question whether the individual’s actions or decisions are influenced by private or professional gain, financial or otherwise.
- 3.2 Conflicts of interest usually fall into one of the following three areas:
 - 3.2.1 *Personal Conflict of Interest:* Personal conflicts of interest arise when actions occur that are influenced by, or are perceived to be influenced by, a desire for personal gain, to the detriment of the Authority or fellow Staff members. The gain could be for the benefit of the Staff member or an Immediate Family Member of the Staff member.
 - 3.2.2 *Business Conflict of Interest:* A business conflict of interest arises when an individual’s actions are influenced by, or are perceived to be influenced by, the outside business involvement of the Staff member, or their Immediate Family Member. A business conflict of interest may also arise when the Staff member’s outside business activities or interests impinge on, or conflict with, the Authority’s business activities or interests.
 - 3.2.3 *Procurement Conflict of Interest:* Any personal or business conflict of interest involving an organization that is presently acting as, or is competing to become, a vendor or independent contractor for the Authority. Conflicts of this variety are additionally subject to the limitations expressed in the Authority’s Procurement Ethics Policy.
- 3.3 A conflict of interest arises when a Staff member is presently, or has within the prior 12 months been, employed by a vendor or independent contractor that is contracting with the Authority. Conflicts of interest

may also arise with regard to the employment of individuals who may be “Immediate Family Members” (e.g., a spouse, former spouse, children (blood, step or adopted), parents, brothers, sisters, grandparents, brother-in-law, and sister-in-law) of Staff members.

3.4 Financial interests are anything of monetary value, including, but not limited to:

3.4.1 Salary or other payments for services (e.g. consulting fees or honoraria);

3.4.2 Equity interests (e.g., stocks, stock options, or other ownership interests);

3.4.3 Intellectual property rights (e.g., patents, copyrights, & royalties); and/or

3.4.4 Gifts (monetary or non-monetary).

A conflict may arise when outside financial interests compromise, or have the appearance of compromising, a Staff member’s duty of loyalty and/or fiscal responsibility toward the Authority.

3.5 In evaluating the possibility of a conflict of interest, Staff should consider the following points:

3.5.1 Staff shall always keep in mind the possibility of a conflict of interest when entering into a business transaction with an entity other than the Authority.

3.5.2 Staff shall never enter into a business transaction of any type that would compromise (or appear to compromise) the Staff member’s responsibilities to the Authority.

3.5.3 If a Staff member becomes aware of a conflict of interest, or a situation that might appear to be a conflict of interest, he or she should immediately report the conflict, or potential conflict, to the Compliance Officer.

In the event there is any question regarding whether a situation constitutes an existing or potential conflict of interest, the situation should be disclosed to the Compliance Officer, who shall make a determination as to whether a conflict (or the potential for a conflict) exists, and whether there is a need to disclose the situation formally through the execution of a Conflicts of Interest Disclosure Form.

3.6 Staff shall not knowingly use any confidential information about a specific parcel of real estate; a case, bid or contract; or other Authority business information, which is available to the Staff member as a result of his or her status as a member of Authority Staff, and which is not a matter of public knowledge, for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

IV. DISCLOSURE:

4.1 Upon the date when a Staff member begins their employment by, contract with, or representation of, the Authority, each Staff member shall file a “Conflicts of Interest Disclosure Form” (see Exhibit A), with Human Resources. In the event the Staff member is a member of the Board of Directors, such forms shall also be filed with the Compliance Officer.

4.2 Staff must also file the Conflicts of Interest Disclosure Form at any time that there may be a potential conflict arising from a new business or professional activity, or other conflicting interest as defined in this policy. One form must be submitted for each new conflict or potentially conflicting situation.

4.3 Copies of Staff members’ Conflicts of Interest Disclosure Form(s) shall be kept in the Staff member’s Human Resources personnel file, until updated or, for Contract Managers, replaced by new annually filed forms.

V. SPECIAL REQUIREMENTS FOR CONTRACT MANAGERS.

- 5.1 Although all employees and contractors of the Authority need to be aware of potential conflicts of interest, individuals employed by the Authority for the purposes of performing contract procurement, negotiation and/or management services for the Authority, including, Authority executives, members of the Authority Board, or members of any Board committee charged with contract management duties (collectively, “Contract Managers”) must be especially observant of these concerns. Accordingly, Contract Managers shall review the Procurement Ethics Policy, in addition to this policy.
- 5.2 There is a conflict of interest for a Contract Manager whenever such individual knows, or should reasonably be expected to know, that he or she, or an Immediate Family Member:
 - 5.2.1 Has any ownership or financial interest in or with any vendor, provider or contractor that currently has, or is attempting to procure, a contractual or business relationship with the Authority;
 - 5.2.2 Has any ownership or financial interest in or with a business in which a partner, shareholder or owner of such business has a financial interest in another business that currently is, or seeks to be, a vendor, provider or contractor for the Authority;
 - 5.2.3 Is presently, or has within the prior 12 months been, employed or engaged by a business in any managerial or policy making capacity, if such business is currently, or seeks to be, a vendor, provider or contractor for the Authority; or
 - 5.2.4 Has negotiated, or is negotiating, for employment with a provider, vendor or contractor that is contracting with, or seeking to contract with, the Authority.
- 5.3 In the event there is any confusion as to whether a Contract Manager may have a conflict of interest, as described above, such individuals shall consult the Authority’s Compliance Officer for additional clarification.
- 5.4 In addition to the requirements of Section 4 above, each Contract Manager shall annually file a Conflicts of Interest Disclosure Form.
- 5.5 If a Contract Manager has or becomes aware of a potential or actual conflict of interest, he or she shall immediately notify the Compliance Officer. Such Contract Manager shall not take part directly or indirectly in any negotiation, decision, approval, disapproval, or recommendation; any preparation of any specification or procurement standard the rendering of advice, investigation, or auditing; inspecting, managing, or accepting performance; or in any other advisory capacity involving such contract, unless a waiver is granted.
- 5.6 A Contract Manager shall not meet or confer with a former Authority Staff member who is acting as a representative of any business which is currently, or is seeking to be, a vendor or contractor of the Authority, within one year following termination of such former Staff member’s employment by, or association with, the Authority.

VI. MISCELLANEOUS PROVISIONS.

- 6.1 *Conflict Waivers.* The Compliance Officer shall review a list of all disclosed conflicts of Staff members (other than Contract Managers, who are expected to personally keep the Compliance Officer apprised of conflicts), prior to the Authority contracting with a business that has a potential or actual conflict.

6.2 *Compliance with Applicable Law.* Authority Staff are bound by all applicable local, state and federal laws, rules, regulations and policies, all federal waiver requirements, state and county contractual requirements, policies, and administrative directives in effect and as amended.

V. **EXHIBITS:**

“Conflicts of Interest Disclosure Form” (Exhibit A)



DETROIT-WAYNE MENTAL HEALTH AUTHORITY

CONFLICTS OF INTEREST DISCLOSURE FORM

Staff Member Name:

Submitted To:

THE PURPOSE OF THIS FORM IS TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST. REVIEW THE FORM CAREFULLY AND RESPOND ACCURATELY AND COMPLETELY.

Note: For purposes of this disclosure, “Immediate Family Member” means, as defined in the Conflict of Interest Policy, a spouse, a former spouse, children (, (blood, step or adopted), parents, brothers, sisters, grandparents, brother-in-law, or sister-in-law.

1. If you have no actual or potential conflicts of interest, check below and proceed to the acknowledgment/signature sections of this form.

___ I have no actual or potential conflicts of interests to report at this time.

2. If you have an actual or potential conflict of interest, check below and provide the requested information:

___ I am disclosing an actual or potential conflict of interest. The conflict arises because I, or an Immediate Family Member, has one or more of the following relationships with a business (“Business”) that is, or wishes to become, a provider, vendor or contractor for the Authority:

- I, or an Immediate Family Member, receives or may receive payment for services or any other monies or compensation from the Business.
- I, or an Immediate Family Member, have a financial interest (ownership, loans, etc) in the Business which results in the receipt of \$500 or more per year. (Market-rate from a financial institution or income from the ownership of less than \$10,000 of stocks and bonds traded on the national stock exchanges are exempted.)
- I, or an Immediate Family Member, hold intellectual property rights (e.g., patents, copyrights) used by the Business.
- I, or an Immediate Family Member, now holds, or in the past 12 months has held, a key position in a Business, such as an officer, director, trustee, partner, or held a board seat or management or policymaking position in the Business.

- I, or an Immediate Family Member holds an ownership or financial interest in or with a business of which a partner, shareholder or owner has a financial interest in the Business that is or seeks to be a vendor, provider or contractor for the Authority.
- I, or an Immediate Family Member, have any other actual or potential conflicts of interest arising from any relationship with the Business or its owners, employees or affiliates.
- None of the above apply, but I have an actual or potential conflict of interest for another reason.

Provide a full description of the actual or potential conflict and provide copies of all relevant documents. If the documents are confidential, submit them in a sealed envelope marked "Confidential" _____

ACKNOWLEDGMENT AND SIGNATURE

By signing below, I acknowledge that (i) I have received a copy of the Detroit Wayne Mental Health Authority Conflict of Interest Policy, and I have read and understand it, (ii) my responses set forth in this form are accurate and complete, and (iii) I agree to abide by the Conflict of Interest Policy and, accordingly, I will immediately update this form and disclose any new or different actual or potential conflicts of interest as they may arise, in accordance with the policy.

Signature

Printed Name

Department

Date