
GST MICHIGAN WORKS! POLICY 15-02 Change 2

TO: GST Michigan Works! WDB, Subrecipients & Agency Staff

FROM: Jody Kerbyson, CEO

SUBJECT: Nepotism/Conflict of Interest and Disclosure Policy

EFFECTIVE: June 23, 2020

PROGRAMS AFFECTED: All

RESCISSIONS: PI 15-02 Change 1

BACKGROUND: This policy is established to specify GST Michigan Works! (GSTMW) Nepotism/Conflict of Interest and Disclosure Policy per Michigan Department of Labor and Economic Opportunity (LEO) Policy Issuance (PI) 20-12.

POLICY:

No Workforce Development Board (WDB) member, employee, or employees of GSTMW subrecipients, hereafter referred to collectively as "affected parties", shall create or allow to be created, any situation that causes a conflict of interest or the appearance of a conflict of interest/nepotism with the affected parties job responsibilities or board member duties. The affected parties shall disclose any conflict of interest, or lack thereof, on an annual basis.

DEFINITIONS:

1. Conflict of Interest - a situation where the "affected parties" conduct or the personal or financial interest of an "affected parties" immediate family may tend to impair "affected parties" independence of judgment or action in a performance of official duties or responsibilities.
2. Financial Interest - exists when an "affected parties" immediate family owns or controls securities or in any way stands to obtain financial benefit from an organization. Additionally, no employee, officer, agent, 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, shall participate in the selection, award or administration of a contract

supported by federal funds due to the real or apparent conflict caused by a financial or other interest in the form selected for an award.

3. Immediate Family – for purposes of this policy, the term “immediate family” includes the "affected parties":
 - i. Spouse, and parents thereof;
 - ii. Children, and spouses thereof;
 - iii. Parents, and spouses thereof;
 - iv. Siblings, and spouses thereof;
 - iv. Grandparents and grandchildren, and spouses thereof;
 - v. Domestic partner and parents thereof, including domestic partners of any individual in 2 through 5 (ii-v) of this definition; and
 - vi. Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.
4. Personal Interest - exists when an "affected parties" or immediate family member of the "affected parties" has financial interest or is employed in any manner by an organization for which the "affected parties" has the ability to substantially influence the activities of that organization (e.g.: procurement awards, grants, contracts, etc.).
5. Nepotism – exists when a person in an administrative capacity using their positions for a purpose that is, or gives the appearance of being motivated by favoritism for themselves or other with whom they have immediate family relationships, as defined above.

SPECIFICS:

Nepotism

No person who serves in an administrative capacity shall use their positions for a purpose that is, or gives the appearance of, being motivated by favoritism for themselves or others with whom they have a family relationship. There should not be even the slightest appearance of favoritism on the part of board members.

For the purposes of this policy, a person in an administrative capacity is someone who has overall administrative responsibility for a program including all elected and appointed officials, such as WDB members, WDB committee members, and local elected officials who have responsibility for the obtaining of and/or approval of any WDB administered grant or contract, as well as other officials who have influence or control over the administration of the program, and the persons who have selection, hiring, placement, or supervisory responsibilities for On-the-Job Training (OJT) participants.

No individual may be placed in an employment activity if a member of that person’s immediate family is directly supervised by or directly supervises that individual. GSTMW defines immediate family as two or more persons related by blood, marriage, or decree of court, and includes spouse, dependent children, partners and other individuals for whom the affected parties maintain the legal Power of Attorney.

Conflict of Interest and Disclosure

No employee, employees of GSTMW subrecipients, or WDB members shall create, or allow to be created, any situation that causes a conflict of interest or the appearance of a conflict of interest with the employee's job responsibilities or board member duties. A conflict of interest is a situation where the individual's conduct or the personal or financial interests of an individual or a member of the individual's immediate family may tend to impair the individual's independence of judgement or action in the performance of official duties or responsibilities.

A WDB member, or WDB standing committee member must neither cast a vote on, nor participate in any decision-making capacity, on the provision of services by such member (or any organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member of that member's immediate family.

Neither membership on the WDB, or a WDB standing committee, nor the receipt of funds to provide training and related services, by itself, violates these conflict of interest provisions.

Recipients of Federal awards must disclose in writing any potential conflict of interest to LEO. Subrecipients must disclose in writing any potential conflict of interest to the recipient of the grant funds.

Therefore, employees, employees of GSTMW subrecipients, and WDB members shall disclose any incidents, contracts or other dealings between themselves and any other person or other entity doing business with GSTMW in which the individual receives anything of value.

All employees, employees of GSTMW subrecipients, and WDB members shall sign a document which discloses any apparent conflict of interest, or states that no conflict of interest exists, between any employee, employees of GSTMW subrecipients or WDB members, on an annual basis. All conflicts of interest will be identified, and the respective solution will be documented.

The conflict of interest disclosure document will be completed by all current employees, employees of GSTMW subrecipients, WDB members, and all new staff/members as they are hired or placed. The document will be retained and made available for review.

PROCEDURES:

- A. Each GSTMW "affected party" must do the following:
 - Each "affected party" must complete and sign a disclosure document ("Conflict of Interest Attestation Form") which discloses any apparent conflict of interest, or states that no conflict of interest exists between any employee, employees of GSTMW subrecipients or WDB members, on an annual basis.

- A new disclosure document must be filled out in the event of a change in employment, which may create a conflict of interest or any changes in financial or personal interest. This should be done within 15 days of any such change.
- B. Any "affected parties" given any assignment which causes or appears to cause a conflict of interest shall discuss the issue with their Department Manager/Supervisor, and/or the CEO.
 - C. The CEO, will review all disclosure documents and make a determination on whether a conflict of interest exists and notify the "affected parties" accordingly.
 - D. "Affected parties" will be allowed 15 calendar days to eliminate the conflict of interest. Refusal to eliminate a conflict of interest may result in appropriate discipline or termination of employment.
 - E. "Affected parties" shall disclose in writing any contracts with any person doing business with GSTMW in which the employee receives something of value over \$25.00.
 - F. Officers, employees, and agents of "affected parties" shall neither solicit nor accept gratuities, favors, or anything of monetary value from the contractors, potential contractors, or parties to sub-agreements, except small consumable items with a value not in excess of \$25.00 ((i.e. business luncheons).
 - G. Disclosure documents will be maintained in a file separate from the personnel records, retained in accordance with the MWA's record retention policy and made available for review, and will remain confidential to the extent allowed by law or as required by the review process.
 - H. No "affected parties" will be subject to discipline under this policy for conflicts disclosed as a result of the adoption of this policy if such conflicts were not otherwise prohibited and if such are eliminated within the required time period.
 - I. Family members of GSTMW administration, board members, subrecipients, or subrecipient staff, shall not receive funding or participate in WIOA programs due to nepotism relationships. If extenuating circumstances exist, special permission can only be granted through the GSTMW CEO.

ACTION: Any "affected parties" shall take the appropriate actions necessary to meet all the directives of this policy issuance. "Affected parties" officials shall ensure the information contained in this policy is disseminated to all appropriate staff.

INQUIRES: Questions regarding this policy issuance should be directed to Sharon Bowen, at 810-233-5974 Ext. 154.

SIGNED:

Jody Kerbyson, CEO

Date