
GST MICHIGAN WORKS! POLICY 15-02, Change 3
(Board Approved June 9, 2023)

TO: GST Michigan Works! Employees, Subrecipient Staff, and GST Michigan Works! Board Members

FROM: Jody Kerbyson, CEO

SUBJECT: Nepotism/Conflict of Interest and Disclosure Policy

EFFECTIVE: March 2, 2023

PROGRAMS AFFECTED: All

RESCISSIONS: GSTMW PI 15-02 Change 2

REFERENCE: 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, Change 1.

BACKGROUND:

This policy issues guidelines to guard against nepotism and conflict of interest in all programs administered by GSTMW. No GSTMW employee, employee of a GSTMW subrecipient, or GSTMW board member shall create or allow to be created, any situation that causes a conflict of interest, or the appearance of a conflict of interest, including nepotism, with the employee's job responsibilities or board member's duties. The affected parties shall disclose any conflict of interest, or lack thereof.

POLICY:

Immediate Family

For purposes of this policy, the term "immediate family" includes, at a minimum, one party with any of the following relationships to another party:

- i. Spouse, and parents thereof;
- ii. Children, and spouses thereof;
- iii. Parents, and spouses thereof;
- iv. Siblings, and spouses thereof;

- vi. Domestic partner and parents thereof, including domestic partners of any individual in 2 through 5 (ii-v) of this definition; and
- vii. Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

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 board members, committee members, and local elected officials who have any responsibility for the obtaining of and/or approval of any board administered grant or contract, as well as other officials who have influence or control over the administration of the program, such as the project director, deputy director, and unit chiefs, 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. To the extent that an applicable state or local legal requirement regarding nepotism is more restrictive than this provision, such state or local requirement will be followed. In addition to those persons earlier defined as "Immediate Family", GSTMW also deems as immediate family 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 GSTMW employee, employees of GSTMW subrecipients, or GSTMW board 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 State board member, Local board member, or board 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 or that member's immediate family.

Neither membership on the State board, Local board, or a board 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 the State of Michigan. Subrecipients must disclose in writing any potential conflict of interest to the recipient of the grant funds.

Therefore, GSTMW employees, employees of GSTMW subrecipients, and GSTMW board 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 GSTMW employee, employee of the GSTMW subrecipient or GSTMW board member, or member of their immediate family, receives anything of value.

ACTION:

All GSTMW employees, and employees of GSTMW subrecipients, must complete and sign a GSTMW document which discloses any apparent conflict of interest, or states that no conflict of interest exists, between any GSTMW employee, employees of GSTMW subrecipients, or GSTMW board members, **on an annual basis**. All conflicts of interest must be identified, and the respective resolution must be documented.

All GSTMW board members must complete and sign a GSTMW document which discloses any apparent conflict of interest, or states that no conflict of interest exists, between any GSTMW employee, employee of GSTMW subrecipients, or GSTMW board members, **every two years**, in accordance with PI 21-13 Local WDB WIOA Membership Recertification, or any policy that replaces PI 21-13. All conflicts of interest must be identified, and the respective resolution must be documented.

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

PROCEDURES:

- A. GSTMW employees, employees of GSTMW recipients, or GSTMW board members, hereafter referred to a “affected party(ies)”, must complete and sign a conflict of interest disclosure document:
 1. **All GSTMW employees, and employees of GSTMW subrecipients**, must complete and sign a GSTMW document which discloses any apparent conflict of interest, or states that no conflict of interest exists, between any GSTMW employee, employees of GSTMW subrecipients, or GSTMW board members, **on an annual basis**. All conflicts of interest must be identified, and the respective resolution must be documented.

2. **All GSTMW board members** must complete, and sign a GSTMW document which discloses any apparent conflict of interest, or states that no conflict of interest exists, between any GSTMW employee, employees of GSTMW subrecipients, or GSTMW board members, **every two years**, in accordance with PI 21-13 Local WDB WIOA Membership Recertification, or any policy that replaces PI 21-13. All conflicts of interest must be identified, and the respective resolution must be documented.
 3. A GSTMW conflict of interest document must be completed by all current GSTMW employees, employees of GSTMW subrecipients, or GSTMW board members, and all new staff, or board members, as they are hired/placed, or appointed. A new GSTMW disclosure document must be completed 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. These forms will be retained in accordance with the GSTMW document retention policy and made available for review.
- B. GSTMW employees, employees of GSTMW subrecipients, and/or GSTMW board members, hereafter referred to collectively as "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 GSTMW 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 employees, GSTMW board members, or employees of GSTMW subrecipients, 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: GSTMW shall take the appropriate actions necessary to meet all the directives of this policy issuance, and ensure the information contained in this policy is disseminated to all appropriate entities.

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



3-2-2023

SIGNED:

Jody Kerbyson, CEO

Date