



TITLE: CODE OF CONDUCT

PURPOSE

The purpose of this policy is to protect Rogue Workforce Partnership's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

POLICY

A conflict of interest transaction or arrangement is a transaction or arrangement with this corporation in which a director or officer has a direct or indirect interest.

1. A director or officer has a direct conflict of interest in any transaction or arrangement if the director or officer or a member of the director's or officer's family has a financial interest in the transaction or arrangement.
2. A director or officer has an indirect interest in any transaction or arrangement if that director or officer or a family member:
 - a. Has a financial interest or potential financial interest in any entity or individual involved in the transaction or agreement;
 - b. Has a compensation arrangement with any entity or individual with which this corporation has a transaction or arrangement; or
 - c. Is a director, officer, or trustee of a profit or nonprofit entity involved in the transaction or arrangement and the transaction or arrangement is of such important that it is or should be considered by the board of that entity.
3. Members of Local Workforce Development Boards (LWDBs), standing committees or workgroups, etc. may not
 - a. Vote on a matter under consideration by the local board
 - i. Regarding the procurement or provision of services by such member, or by an entity that such member represents or is affiliated with; or
 - ii. That would provide direct or perceived financial benefit to such member or the immediate family of such member; or
 - b. Engage in any other activity determined by the Governor to constitute a conflict of interest. Other activities include, but are not limited to:
 - i. Soliciting or accepting gratuities, favors, or anything of monetary value from awardees, potential awardees, or other parties to agreements; or
 - ii. Vote on, or contribute to, any part of an evaluation process (developing criteria, scoring, reviewing, or submitting a response) regarding any procurement matter under consideration by the local board in which they, or an entity they are affiliated with, have a conflict of interest.

PROCEDURES

1. Duty to Disclose. In connection with any actual or possible conflict of interest, the director/officer must disclose the existence of the financial interest and be given the opportunity to disclose all

material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested director/officer, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

- a. The interested director/officer may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Code of Conduct Policy.

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

5. Records of Proceedings. The minutes of the governing board and all committees with board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6. Periodic Reviews. To ensure the Organization operates in a manner consistent with its purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- b. When conducting the periodic reviews, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

7. Annual Statements. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the Code of Conduct policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8. Confidentiality. Board members are reminded that confidential financial, personnel and other matters concerning the organization, donors, staff or clients/consumers may be included in board materials or discussed from time to time. Board members should not disclose such confidential information to anyone.

9. Active Participation. Board members are expected to exercise the duties and responsibilities of their positions with integrity, collegiality, and care. This includes:

- a. Making attendance at all meetings of the board a high priority.
- b. Being prepared to discuss the issues and business on the agenda, and having read all background material relevant to the topics at hand.
- c. Cooperating with and respecting the opinions of fellow Board members, and leaving personal
- d. prejudices out of all board discussions, as well as supporting actions of the Board even when the Board member personally did not support the action taken.
- e. Putting the interests of the organization above personal interests.
- f. Representing the organization in a positive and supportive manner at all times and in all places.
- g. Showing respect and courteous conduct in all board and committee meetings.
- h. Refraining from intruding on administrative issues that are the responsibility of management, except to monitor the results and ensure that procedures are consistent with board policy.
- i. Observing established lines of communication and directing requests for information or assistance to the executive director.

I, _____, recognizing the important responsibility I am undertaking in serving as a member/officer of the Rogue Workforce Partnership Workforce Development Board, hereby pledge to carry out in a trustworthy and diligent manner the duties and obligations associated with my role as a member/officer and abide by this Code of Conduct. I understand that failure to abide by this Code of Conduct may result in my removal as a member/officer, pursuant to the requirements and processes provided in the organization's governing documents.

Signature

Date

Please see attachment A for Definitions

Attachment A-Definitions

Affiliated. Created by, controlled by, or closely related to a governmental unit, including a State, a possession of the United States, or any political subdivision of a State or a possession of the United States, or the United States, or the District of Columbia.

Arm's length. A transaction between parties having adverse (or opposing) interests; where none of the participants are in a position to exercise substantial influence over the transaction because of business or family relationship(s) with more than one of the parties.

Business relationships. Employment and contractual relationships, and common ownership of a business where any officers, directors, or trustees, individually or together, possess more than a 35% ownership interest in common. Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

Bylaws. The internal rules and regulations of an organization.

Certification of Filing. Articles of Incorporation for your organization showing evidence that on a specific date they were filed with and approved by an appropriate state authority.

Close connection. A relationship between organizations that may include: control of one organization by another through common governance or through authority to approve budgets or expenditures; coordination of operations as to facilities, programs, employees, or other activities; or common persons exercising substantial influence over all of the organizations.

Common control. You and one or more other organizations have (1) a majority of your governing boards or officers appointed or elected by the same organization(s), or (2) a majority of your governing boards or officers consist of the same individuals. Common control also occurs when you and one or more commonly controlled organizations have a majority ownership interest in a corporation, partnership, or trust. Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

Community. The local or regional geographic area to be served by an organization.

Compensation. All forms of income from working, including salary or wages; deferred compensation; retirement benefits, whether in the form of a qualified or non-qualified employee plan (for example: pensions or annuities); fringe benefits (for example: personal vehicle, meals, lodging, personal and family educational benefits, low interest loans, payment of personal travel, entertainment, or other expenses, athletic or country club membership, and personal use of your property); and bonuses.

Conflict of interest. A conflict of interest arises when a person in a position of authority over an organization, such as a director, officer, or manager, may benefit personally from a decision he or she could make.

Code of Conduct Policy - A code of conduct policy consists of a set of procedures to follow to avoid the possibility that those in positions of authority over an organization may receive an inappropriate benefit.

Corporation. An entity organized under a Federal or state statute, or a statute of a federally recognized Indian tribal or Alaskan native government.

Develop. Develop means the planning, financing, construction, or provision of similar services involved in the acquisition of real property, such as land or a building.

Disqualified person. Any individual or organization that is:

- a. A substantial contributor to you (see *substantial contributor*).
 - b. An officer, director, trustee, or any other individual who has similar powers or responsibilities.
 - c. An individual who owns more than 20% of the total combined voting power of a corporation that is a substantial contributor to you.
 - d. An individual who owns more than 20% of the profits interest of a partnership that is a substantial contributor to you.
 - e. An individual who owns more than 20% of the beneficial interest of a trust or estate that is a substantial contributor to you.
 - f. A member of the family of any individual described in a, b, c, d, or e above;
 - g. A corporation in which any individuals described in a, b, c, d, e, or f above hold more than 35% of the total combined voting power;
 - h. A trust or estate in which any individuals described in a, b, c, d, e, or f above hold more than 35% of the beneficial interests; and
 - i. A partnership in which any individuals described a, b, c, d, e, or f above hold more than 35% of the profits interest.
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Earmark. Donations or other contributions given to you to assist particular individuals or specific identified groups.

Economic development. Organizations formed to combat community deterioration by assisting businesses located in a particular geographic area whose economy is economically depressed or deteriorating. Economic development activities include grants, loans, provision of information and expertise, or creation of industrial parks. Economic development organizations may also be formed to eliminate prejudice and discrimination or lessen the burdens of government through involvement with business development.

Expenses. Financial burdens or outlays; costs (of doing business); business outlays chargeable against revenues. For purposes of this policy, expenses mean direct and indirect expenses.

Fair market value. The price at which property or the right to use property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy, sell, or transfer property or the right to use property, and both having reasonable knowledge of relevant facts.

Family. Includes an individual's spouse, ancestors, children, grandchildren, great grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, great grandchildren, and siblings.

Foreign country. A country other than the United States, its territories and possessions, and the District of Columbia.

For-profit. A business entity whose activities are conducted or maintained to make a profit (e.g. revenues greater than expenses).

Foundation manager. Officers, directors, or trustees, or an individual having powers or responsibilities similar to those of a foundation's officers, directors, or trustees.

Fundraising. The organized activity of raising funds, whether by volunteers, employees, or paid independent contractors.

Financial interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article II, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Gross investment income. As defined in 26 U.S. Code Section 509, gross investment income means the gross amount of income from interest, dividends, payments with respect to securities loans, rents, and royalties, but not including any such income to the extent included in computing the tax imposed by 26 U.S. Code Section 511.

Gross receipts. For purposes of *Part IX-A. Statement of Revenues and Expenses*, gross receipts includes monies earned from activities related to your charitable or other section 501(c)(3) activities, such as selling admissions or merchandise, performing services, or furnishing facilities.

Handicapped. Persons with physical or mental disabilities with special needs for suitable housing, physical and mental health care, civic, cultural, and recreational activities, transportation, and an overall environment conducive to dignity and independence.

Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Independent contractors. Persons who are not treated as employees for employment tax purposes.

Influence legislation. The act of directly contacting or urging the public to contact members of a legislative body for the purpose of proposing, supporting, or opposing legislation. You are also attempting to influence legislation if you advocate the adoption or rejection of legislation.

Intellectual property. A type of property (distinct from real or personal property) which includes:

- a. Patents (for inventions).
 - b. Copyrights (for literary and artistic works such as novels, poems, plays, films, musical works, drawings, paintings, photographs, sculptures, architectural designs, performances, recordings, film, and radio or television programs).
 - c. Trade names, trademarks, and service marks (for symbols, names, images, and designs).
 - d. Formulas, know-how, and trade secrets.
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Joint ventures. A legal agreement in which the parties jointly undertake a transaction for mutual profit. Generally, each person contributes assets and shares risks. Like a partnership, joint ventures can involve any type of business transaction and the "persons" involved can be individuals, groups of individuals, companies, or corporations.

Non-fixed payments. A non-fixed payment means a payment that depends on discretion. For example, a bonus of up to \$100,000 that is based on an evaluation of performance by the governing board is a non-fixed payment because the governing body has discretion over whether the bonus is paid and the amount of the bonus.

Organizing document. The organizing document depends on the form of the organization. For a corporation, the document is the articles of incorporation. For a limited liability company (LLC), the document is the articles of organization. For an unincorporated association, the document is the articles of association or constitution. The organizing document of a trust is the trust agreement.

Political. You participate in a political campaign if you promote or oppose, through political literature, brochures, pamphlets, hosting or participating in events, etc., the candidacy of an individual for public office. Debates and nonpartisan voter education are not considered political.

Predecessor. An organization whose activities or assets were taken over by another organization.

Private foundations. Organizations that are exempt under section 501(c)(3) are private foundations unless they are: churches, schools, hospitals, governmental units, entities that undertake testing for public safety; organizations that have broad financial support from the general public; or organizations that support one or more other organizations that are themselves classified as public charities.

Private operating foundation. A type of private foundation that lacks general public support, but makes qualifying distributions directly for the active conduct of its educational, charitable, and religious purposes. "Directly for the active conduct" means that the distributions are used by the foundation itself to carry out the programs for which it is organized and operated. Grants made to assist other organizations or individuals are normally considered indirect.

Public charity. Organizations that are exempt under section 501(c)(3) and are not private foundations because they are: churches, schools, hospitals, governmental units, entities that undertake testing for public safety; organizations that have broad financial support from the general public; or organizations that support one or more other organizations that are themselves classified as public charities. Public charity status is a more favorable tax status than private foundation status.

Reasonable compensation. Reasonable compensation is the amount that would ordinarily be paid for like services by like organizations under like circumstances as of the date the compensation arrangement is made. Reasonable compensation is important because excessive benefits in the form of compensation to disqualified persons may result in the imposition of excise taxes and jeopardize the organization's tax-exempt status.

Related. The family or business relationships between persons.

Relationship. A relationship between you and the recipient organization includes the following situations:

- a. You control the organization or it controls you through common officers, directors, or trustees, or through authority to approve budgets or expenditures.
 - b. You and the organization were created at approximately the same time and by the same persons.
 - c. You and the organization operate in a coordinated manner with respect to facilities, programs, employees, or other activities.
 - d. Persons who exercise substantial influence over you also exercise substantial influence over the other organization.
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Revenue. Revenue means gross revenue amounts.

Similarly situated. Similarly situated organizations means tax-exempt or taxable organizations of a comparable size, purpose, and resources.

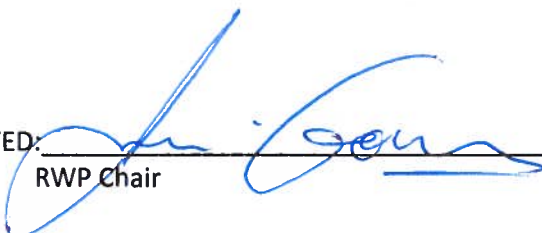
Substantial contributor. Any individual or organization that gave more than \$5,000 to you from the date you were formed or other date that your exemption would be effective, to the end of the year in which the contributions were received. This total amount contributed must also be more than 2% of all the contributions you received. A creator of a trust is treated as a substantial contributor regardless of the amount contributed.

Successor. An organization that took over:

- a. More than a negligible amount of the activities that were previously conducted by another organization;
- b. Twenty-five percent or more of the fair market value of the net assets of another organization; or
- c. Was established upon the conversion of an organization from for-profit to non-profit status.

Unusual grants. Substantial contributions and bequests from disinterested persons that by their size adversely affect classification as a public charity. They are:

- a. Unusual;
- b. Unexpected; and
- c. Received from an unrelated party.

APPROVED:  _____
RWP Chair

DATE: 5-18-17