



GUIDANCE: **Potential Conflicts of Interest**

This Guidance contains illustrative examples of conflicts of interest that might arise under the State of Iowa Workforce Development Boards Conflict of Interest Policy. This Guidance does not contain an exhaustive list of conflicts of interest that might arise under this Policy.

I. PERSONAL CONFLICTS OF INTEREST FOR BOARD MEMBERS.

1.1. A board member's organization applies to be on the list of eligible training providers and programs.

1.1.1. Bob is a member of a board, representing an organization that provides workforce training.

1.1.2. The organization that Bob represents applies to be included on the list of eligible training providers and programs, which will allow the organization to receive WIOA Title I program funds for providing training to Title I program participants.

1.1.3. Inclusion on the list of eligible training providers and programs will result in a tangible benefit for Bob's organization: receipt of Title I funds for providing training. The deliberations and the vote on whether to include Bob's organization on the list of eligible training providers and programs therefore represent a conflict of interest for Bob.

1.1.4. Bob must disclose this conflict of interest in writing to the board and recuse himself from deliberations and actions relating to the application for inclusion on the list of eligible training providers and programs filed by Bob's organization.

1.1.5. Bob submitted his disclosure to the board at the meeting that his organization's application for the list of eligible training providers and programs was on the agenda for consideration and action.

1.1.6. The board must respond to Bob's disclosure by taking votes in open session to do each of the following:

- 1) Accept Bob's disclosure;
- 2) Include Bob's disclosure in the minutes for the meeting; and
- 3) If Bob has not voluntarily recused himself, take a roll call vote to exclude Bob from all board deliberations and action relating to the RFP.

1.1.7. In the open meeting, the board may ask questions of Bob or another representative of the organization he represents regarding the organization's application for inclusion on the list of eligible providers and programs. Bob may respond to these questions, just as any other individual representing an entity applying for inclusion on the list of eligible provider might do.

- 1.1.8. Without Bob's participation, the board may deliberate and must take a roll call vote on whether to approve the application submitted by Bob's organization for inclusion on the list of eligible providers and programs.
- 1.1.9. The board must include Bob's disclosure in the minutes for the meeting at which Bob submitted the disclosure.
- 1.1.10. The board must also include in the minutes the record of the roll call vote on the application submitted by Bob's organization. The minutes must clearly show each of the following:
- 1) Which board members voted;
 - 2) How each board member voted;
 - 3) That Bob abstained from the vote because of a conflict of interest; and
 - 4) The result of the vote.

1.2. A board member's organization submits a bid to be a Title I program service provider.

- 1.2.1. Jane is a member of a board, representing an organization that provides training and workforce services.
- 1.2.2. The board is required to procure a service provider for a WIOA Title I program and posts a request for proposals (RFP).
- 1.2.3. The board decides to create a procurement committee to write and post the RFP, receive and score proposals, and make a recommendation to the board as a whole on which bidder the board should award the WIOA Title I service provider contract.
- 1.2.4. Jane knows that her organization is interested in submitting a proposal in response to the board's WIOA Title I service provider RFP. Because Jane's organization will benefit financially if the board awards it the WIOA Title I service provider contract, she has a conflict of interest.
- 1.2.5. Jane must disclose her conflict of interest in writing to the board and recuse herself from participating in the board's procurement committee, any other discussions or deliberations by the board relating to the RFP, and any votes that take place regarding the RFP.
- 1.2.6. The board must respond to Jane's disclosure by taking votes in open session to do each of the following:
- 1) Accept Jane's disclosure;
 - 2) Include Jane's disclosure in the minutes for the meeting; and
 - 3) If Jane has not already voluntarily recused herself, take a roll call vote to exclude Jane from all board deliberations and action relating to the RFP.

- 1.2.7. Without Jane's involvement, the board procurement committee wrote and posted the RFP, received all proposals in response thereto, scored them, and decided on a recommendation for the board on awarding the WIOA Title I service provider contract.
- 1.2.8. The minutes for the meeting at which the board deliberates and/or takes action on the procurement committee's recommendation must clearly show each of the following:
- 1) Which board members participated in the deliberations;
 - 2) Which board members voted on the awarding of the contract;
 - 3) How each board member voted;
 - 4) That Jane abstained from voting because of a conflict of interest; and
 - 5) The result of the vote.
- 1.3. **A board member's organization would benefit from a change in the board's on-the-job training (OJT) policy.**
- 1.3.1. Juan is a member of a board, representing business.
- 1.3.2. Juan's business regularly contracts with the local area's Title I service provider to receive reimbursement for 50% of the extraordinary costs it incurs for providing Title I program participants with OJT.
- 1.3.3. The board decides to consider and vote on a proposal to increase the OJT reimbursement rate from 50% to 75%, in accordance with WIOA § 134(c)(3)(h) and 20 C.F.R. § 680.730.
- 1.3.4. Juan recognizes that his business would benefit financially from this change because it would receive an increase in the reimbursement it receives for providing Title I program participants OJT.
- 1.3.5. Juan must disclose in writing this conflict of interest to the board and recuse himself from deliberations and actions relating to the OJT policy.
- 1.3.6. The board must respond to Juan's disclosure by taking votes in open session to do each of the following:
- 1) Accept Juan's disclosure;
 - 2) Include Juan's disclosure in the minutes; and
 - 3) If Juan hasn't already recused himself, take a roll call vote to exclude Juan from all board deliberations and action relating to the OJT policy.
- 1.3.7. The minutes for the meeting at which the board deliberates and/or takes action on the OJT policy must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the OJT policy;
- 3) How each member voted;
- 4) That Juan abstained from voting because of a conflict of interest; and
- 5) The result of the vote.

1.4. A board member's organization submits a bid in response to the board's request for proposals for one-stop operator.

1.4.1. Molly is a board member, representing the organization providing Wagner-Peyser employment services in the local area.

1.4.2. The board has started discussions on posting a request for proposals (RFP) for one-stop operator.

1.4.3. Molly's organization is planning on submitting a proposal in response to the board's RFP for one-stop operator. Because Molly's organization would benefit from the board awarding it the one-stop operator contract, this is a conflict of interest.

1.4.4. Molly must disclose in writing this conflict of interest to the board and recuse herself from all board deliberations and actions relating to the RFP.

1.4.5. The board must respond to Molly's disclosure by taking votes in open session to do each of the following:

- 1) Accept Molly's disclosure;
- 2) Include Molly's disclosure in the minutes; and
- 3) If Molly hasn't already recused herself, exclude Molly from all board deliberations and actions relating to the RFP.

1.4.6. The minutes for the meeting at which the board deliberates and/or takes action on the RFP must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the awarding of the contract;
- 3) How each member voted;
- 4) That Molly abstained from voting because of a conflict of interest; and
- 5) The result of the vote.

1.5. A board member's organization submits an application to become a local provider of adult education and literacy activities under WIOA Title II.

1.5.1. Maria is a board member representing a community college.

1.5.2. The Iowa Department of Education begins the process of awarding grants or contracts to local providers of Title II services.

1.5.3. The local workforce development board must review the local Title II applications and make recommendations to the Iowa Department of Education on how they align with the local workforce development plan.

1.5.4. The board decides to form a committee to review the Title II applications and provide appropriate feedback to the Iowa Department of Education.

1.5.5. Maria knows that the community college is planning on submitting an application to the Iowa Department of Education to receive a Title II grant or contract.

1.5.6. Because the community college Maria represents on the board would benefit financially from receiving a Title II grant from the Iowa Department of Education, Maria has a conflict of interest.

1.5.7. Maria must disclose in writing this conflict of interest to the board and recuse herself from all board deliberations and actions relating to the review of the local Title II applications by the board.

1.5.8. The board must respond to Maria's disclosure by taking votes in open session and do each of the following:

- 1) Accept Maria's disclosure;
- 2) Include Maria's disclosure in the meeting minutes; and
- 3) If Maria hasn't already recused herself, exclude Maria from all board deliberations and actions relating to the review of Title II applications and the providing of recommendations to the Iowa Department of Education.

1.5.9. The minutes for the meeting at which the board deliberates and/or takes action on the Title II application must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the awarding of the contract;
- 3) How each member voted;
- 4) That Maria abstained from voting because of a conflict of interest; and
- 5) The result of the vote.

1.6. A vendor gives a board member a gift.

1.6.1. Henry is a board member, representing an organization that provides workforce services and training.

1.6.2. Henry goes to a conference in New York City, at which there are many vendors specializing in products relating to workforce services.

1.6.3. Henry goes out socializing with a group of other conference attendees and vendors. One vendor puts the group's meals on her company credit card. Henry's meal cost \$35.

1.6.4. Three months after the conference, the board posts a request for proposals (RFP) for one-stop operator.

1.6.5. The company for which the vendor who placed Henry's meal on her credit card at the conference works submits a bid in response to the board's RFP.

1.6.6. Because Henry previously accepted a gift from the vendor that has now submitted a proposal in response to the board's RFP, this is a conflict of interest.

1.6.7. Henry must disclose this conflict of interest in writing to the board and recuse himself from all board deliberations and actions relating to the RFP.

1.6.8. The board must respond to Henry's disclosure by taking votes in open session to do each of the following:

- 1) Accept Henry's disclosure;
- 2) Include Henry's disclosure in the minutes; and
- 3) If Henry hasn't already recused himself, take a roll call vote to exclude Henry from all board deliberations and action relating to the RFP.

1.6.9. The minutes for the meeting at which the board deliberates and/or takes action on the RFP must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the awarding of the contract;
- 3) How each member voted;
- 4) That Henry abstained from voting because of a conflict of interest; and
- 5) The result of the vote.

2. CONFLICTS OF INTEREST DUE TO A BOARD MEMBER'S FAMILY.

When considering whether a conflict of interest exists due to a board member's family, substitute the board member for the family member. If a board member's family has a private interest that would constitute a conflict of interest if the board member had the same private interest, it is a conflict of interest for the board member.

2.1. A board member's spouse works for an organization that submits a bid in response to a request for proposal by the board.

2.1.1. Pat is a board member, representing a one-stop partner agency.

2.1.2. Pat's spouse works for an organization that provides workforce services and training to individuals in the community.

2.1.3. The board posts a request for proposal for a WIOA Title I program service provider.

2.1.4. Pat's spouse tells Pat that the spouse's employer is going to submit a proposal to the board in response to the RFP.

2.1.5. Because Pat's spouse works for an organization that would benefit if it is awarded the WIOA Title I program service provider contract by the board, this is a conflict of interest for Pat.

2.1.6. Pat must disclose this conflict of interest in writing to the board and recuse her or himself from all board deliberations, discussions, and actions relating to the RFP because of the conflict of interest.

2.1.7. The board must respond to Pat's disclosure by taking votes in open session to do each of the following:

- 1) Accept Pat's disclosure;
- 2) Include Pat's disclosure in the minutes; and
- 3) If Pat hasn't already recused her or himself, take a roll call vote to exclude Pat from all board deliberations and action relating to the one-stop operator RFP.

2.1.8 The minutes for the meeting at which the board deliberates and/or takes action on the RFP must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the awarding of the contract;
- 3) How each member voted;
- 4) That Pat abstained from voting because of a conflict of interest; and
- 5) The result of the vote.

2.2. A board member's child sits on the board of an organization that submits a bid in response to a request for proposal by the workforce development board.

2.2.1. Bo is a workforce development board member, representing a business.

2.2.2. Bo's child sits on the board of an organization that provides workforce services and training to individuals in the community.

2.2.3. The workforce development board posts a request for proposal for a WIOA Title I program service provider.

2.2.4. Bo's child tells Bo that the organization for which Bo's child is a board member is going to submit a proposal to the workforce development board in response to the RFP.

2.2.5. Because Bo's child is a board member for an organization that would benefit if it is awarded the WIOA Title I program service provider contract by the workforce development board, this is a conflict of interest for Bo.

2.2.6. Bo must disclose this conflict of interest in writing to the workforce development board and recuse himself from deliberations and actions relating to the RFP because of the conflict of interest.

2.2.7. The workforce development board must respond to Bo's disclosure by taking votes in open session to do each of the following:

- 1) Accept Bo's disclosure;
- 2) Include Bo's disclosure in the minutes; and
- 3) If Bo hasn't already recused himself, take a roll call vote to exclude Bo from all board deliberations and action relating to the RFP.

2.1.9 The minutes for the meeting at which the workforce development board deliberates and/or takes action on the RFP must clearly show each of the following:

- 1) Which board members participated in the deliberations;
- 2) Which board members voted on the awarding of the contract;
- 3) How each member voted;
- 4) That Bo abstained from voting because of a conflict of interest; and
- 5) The result of the vote.