JOC Policy #827
Adopted June 22, 2016

Conflict of Interest
Overview
Introduction

Policy #827 was adopted on June 22, 2016 at the regular meeting of the Joint Operating Committee (JOC).

Contained in this policy is the requirement that all JOC members and employees be provided with a copy of this policy and acknowledge in writing that they have been made aware of it.

This GCN training is being provided to give an overview of the policy content so that you are in compliance with the policy.

Throughout the overview, you will see sections in blue. These items are legal references to federal regulations, PA school code, current PA state law or current JOC policy.

You may print a copy of the policy by going to:
http://intranet.lcti.org/LCTI/publications/JOC Policy Manual/No. 827 Conflict of Interest
Purpose

This policy shall affirm standards of conduct established to ensure that Joint Operating Committee (JOC) members and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.
Definitions

Confidential information shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information. *65 Pa. C.S.A. 1101 et seq*

Conflict or Conflict of Interest shall mean use by a JOC member or employee of the authority of his/her office or employment, or any confidential information received through his/her holding public office or employment, for the private pecuniary benefit of him/herself, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated. The term does not include an action having a de minimis economic impact, or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the JOC member of employee, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associate. *65 Pa. C.S.A. 1101 et seq*

De minimis economic impact shall mean an economic consequence which has an insignificant effect. *65 Pa. C.S.A. 1101 et seq*
Financial Interest shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in the indebtedness. *65 Pa. C.S.A. 1101 et seq*

Honorarium shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provides which are of de minimus economic impact. *65 Pa. C.S.A. 1101 et seq*

Immediate family shall mean a parent, parent-in-law, spouse, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister. *65 Pa. C.S.A. 1101 et seq*

Business partner shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.
Delegation of Responsibility

Each employee and JOC member shall be responsible to maintain standards of conduct that avoid conflicts of interest. The JOC prohibits members of the JOC and employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.

The JOC directs the Business Administrator to promulgate and implement procedures which (1) notify employees what constitute conflicts of interest and (2) obtain sufficient information from employees and those who are, or aspire to be, vendors that Lehigh Career & Technical Institute (LCTI) is able to determine whether employees are complying with this policy.

The JOC directs the Business Administrator to provide the Commonwealth's Statement of Financial Interests form to employees of LCTI who are required by law to complete it. The Business Administrator shall collect all completed forms and keep them on file as directed by law.
Guidelines

All JOC members and employees shall be provided with a copy of this policy and acknowledge in writing that they have been made aware of it. Additional training shall be provided to designated individuals.

Disclosure of Financial Interests

No JOC member shall be allowed to enter or continue upon his/her duties, nor shall s/he receive compensation from public funds, unless s/he has filed a statement of financial interests as required by law. Policy #004

LCTI solicitor and designated LCTI employees shall file a statement of financial interests as required by law and regulations. 51 PA Code 15.2 & 65 Pa. C.S.A. 1104
Standards of Conduct

LCTI maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and JOC members engaged in the selection, award and administration of contracts. 2 CFR 200.318

No employee or JOC member may participate in the selection, award or administration of a contract supported by a federal award if s/he has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, JOC member, any member of his/her immediate family, his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. 2 CFR 200.318
Guidelines - continued

Standards of Conduct - continued
LCTI shall not enter into any contract with a JOC member or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at $500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the JOC has determined it is in the best interests of LCTI to do so, and the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the JOC member or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract. 65 Pa. C.S.A. 1101 et seq
Standards of Conduct – continued

Any JOC member or employee who in the discharge of his/her official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record in a written memorandum filed with the person responsible for recording the minutes of the meeting at which the vote is taken. 65 Pa. C.S.A. 1101 et seq

No public official or public employee shall accept an honorarium as defined in this policy. 65 Pa. C.S.A. 1101 et seq

JOC members and employees may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with JOC policy. 2 CFR 200.318, Policy #322, Policy #422 and Policy #522
Guidelines - continued

Improper Influence

No person shall offer or give to a JOC member, employee or nominee or candidate for the JOC, or a member of his/her immediate family or a business with which s/he is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the JOC member, employee or nominee or candidate for the JOC would be influenced thereby. 65 Pa. C.S.A. 1101 et seq

No JOC member, employee or nominee or candidate for the JOC shall solicit or accept anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding of that JOC member, employee or nominee or candidate that the vote, official action or judgment of the JOC member, employee or nominee or candidate for the JOC would be influenced thereby. 65 Pa. C.S.A. 1101 et seq
Organizational Conflicts

Organizational conflicts of interest may exist when due to LCTI's relationship with a subsidiary, affiliated or parent organization that is a candidate for award of a contract in connection with federally funded activities, LCTI may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization. 2 CFR 200.318

In the event of a potential organizational conflict, the potential conflict shall be reviewed by the Executive Director or designee to determine whether it is likely LCTI would be unable or appear to be unable to be impartial in making the award. If such a likelihood exists, this shall not disqualify the related organization; however, the following measures shall be applied:

1. The organizational relationship shall be disclosed as part of any notices to potential contractors;
2. Any LCTI employees or officials directly involved in the activities of the related organization are excluded from the selection and award process;
3. A competitive bid, quote or other basis of valuation is considered; and
4. The JOC has determined that contracting with the related organization is in the best interests of the program involved.
Guidelines - continued

Reporting

Any perceived conflict of interest that is detected or suspected by any employee or third party shall be reported to the Executive Director. If the Executive Director is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the JOC President. All reports of perceived conflicts of interest shall be made in writing by the employee or third party and shall be submitted to the Executive Director. Any employee who refuses to report a perceived conflict of interest as required under these guidelines may be subject to discipline up to and including dismissal.

Any perceived conflict of interest of a JOC member that is detected or suspected by any employee or third party shall be reported to the JOC President. If the JOC President is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Executive Director, who shall report the incident to the solicitor.

No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.
Investigation

Investigations based on reports of perceived violations of this policy shall comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results.

In the event an investigation determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency’s policies.
Disciplinary Actions

If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, LCTI shall take prompt, corrective action to ensure that such conduct ceases and will not recur. LCTI staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.

Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with JOC policies, procedures, applicable collective bargaining agreements and state and federal laws. Policy #417, Policy #517 and Policy #317
Thank you for participating in the Lehigh Career & Technical Institute JOC’s Policy #827 Conflict of Interest overview!