



## **Minnesota Child Care Provider Information Network (MCCPIN) Conflict of Interest Policy Board of Directors (BOD)**

### **Introduction**

The Board of Directors (BOD), the governing body of the Minnesota Child Care Provider Information Network (MCCPIN), is committed to governing the organization in a manner that is free of conflicts and appearances of conflicts. For the purpose of this policy, "conflicts" shall mean both "conflicts of interest" as they are defined under applicable state and federal law as they are defined in this policy.

The purpose of the policy is to inform MCCPIN's directors, officers and staff of MCCPIN's broad definitions of conflicts and to establish procedures for directors, officers, and staff to follow to declare and monitor conflicts as they arise. The Board requires each director, officer, and staff member be advised of this policy, and are provided a copy, immediately upon their MCCPIN duties or relationship. All individuals subject to this policy are responsible for knowing and observing the policy.

### **Conflict of Interest Definition**

A conflict of interest is a situation in which your personal interest or proposed transaction(s) in a matter which:

- Interferes with your duties and responsibilities to MCCPIN.
- May be inconsistent or incompatible with your obligation to exercise your best judgment in pursuit of the interests of MCCPIN.
- Results in an improper personal benefit as a result of your position with MCCPIN.
- Raises a reasonable question about or the appearance of such interference.

### **Further definitions:**

**Tier 1 - Direct conflict:** A direct conflict exists whenever there is any proposed transaction or action of MCCPIN in which a director, officer, or staff member has any direct involvement or interest. These transactions are subject to the highest scrutiny.

**Tier 2: Indirect conflict:** A director, officer, or staff member has an indirect involvement or interest in a proposed transaction or action of MCCPIN whenever:

- a) Any other party to the transaction or party affected by the action is a "family member" (i.e. relative) of the director, officer, or staff member.
- b) Any other party to the transaction or party affected by the action is an entity in which the director, officer, or staff member has a material financial interest, or
- c) The director, officer, or staff member is an officer, director, or staff member or partner of any other party to the transactions or party affected by the action.

Conflicts involving more immediate "family members" should generally be subject to a higher level of scrutiny by the BOD than those involving relatives who are removed, although each situation involves individual circumstances to be weighed by the appropriate governing body.



**Tier 3: Potential conflict or appearance of conflict:** Directors, officers, and staff members should follow the disclosure procedures of the policy when the interests or concerns of any director, officer, or staff member, or any of those individual's relatives, or any other individual group or organization to which such person has allegiance, may reasonably be seen as competing with the interests or concerns of the agency.

### **Procedure when Director or Officer has conflict**

1. Each director or officer of MCCPIN has a duty to disclose to the governing body (and to any applicable committee of the governing body(s) that one is addressing) the material facts of any proposed transaction or action of MCCPIN in which such director has any conflicts.
2. The disclosure required under #1 above, must be made, to the extent possible, prior to any consideration of such proposed transaction or action by the governing body(s) or by any applicable committee of the governing body(s). If a director or officer does not recognize the existence of a conflict prior to the governing body's decision regarding the transaction, the officer has a duty to disclose the material facts of the conflict as soon as the conflict is recognized.
3. The director or officer having a conflict shall not participate in the deliberation or decision regarding the matter under consideration and shall retire from the room during deliberations except to the extent he or she has been invited by the Board or committee to participate, after consideration of the significance to MCCPIN of the disclosed conflict. The Board or committee may also request that he or she provide MCCPIN with any relevant information known to the director regarding the matter.
4. Any proposed transactions or action in which the Board has determined that a director or officer has a conflict of interest is to be approved by a majority of the directors entitled to vote other than the interested director(s) at a meeting at which a quorum is present (i.e., by a supermajority of the entire Board not including the conflicted director(s), even though the non-conflicted directors may constitute less than a quorum.
5. When there is any doubt as to whether a conflict exists (and these procedures are thus to be employed) the matter shall be resolved by action of the Board, not including the participation of the individual whose potential conflict is at issue. All directors and officers are obligated to notify the Board if they believe an individual director or officer has failed to provide disclosure of a conflict they believe to be at hand, and the aforementioned procedure (resolution by action of the Board, not including the participation of the individual whose potential conflict is at issue) shall be employed by the Board in all such instances.

### **Conflict of Interest Statement and Divided Allegiance Policy Enforcement**

A director, officer or staff person who fails to follow the protocols established herein shall be subjected to meaningful disciplinary action by the Board of Directors.



## Minnesota Child Care Provider Information Network

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This page is to be signed after being elected to the Board of Directors. To apply for a board position you must be willing to comply with this policy.

I have read the statement of policy regarding conflicts of interest. To the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal or business relationship is engaged in any transaction or activity or has any relationship that may represent a potential competing or conflicting interest, as defined in the statement of policy.

Further, to the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal, business, or compensated professional relationship intends to engage in any transaction, to acquire any interest in any organization or entity, or to become the recipient of any substantial gift or favors that might be covered by the statement of policy regarding conflicts of interest.

I, as a member of the Minnesota Child Care Provider Information Network Board of Directors, have read and agree to abide by the conflict of interest policy set forth in the by-laws and this document.

\_\_\_\_ (A) Without exception

\_\_\_\_ (B) Except as described in the attachment

Signature \_\_\_\_\_

Title of Board Position \_\_\_\_\_

Date \_\_\_\_\_

**This document is to be read before applying for a Board of Directors position.**