

DUTCHESS COUNTY LOCAL DEVELOPMENT CORPORATION

CONFLICT OF INTEREST

A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personal benefit from actions or decision made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority.

A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Agency policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any family member (spouse, domestic partner, grandparents, parents, children, grandchildren, great grandchildren, brothers or sisters [whether whole or half-blood], and spouses of these individuals); or (c) any organization in which he or a family member is a director, trustee, officer, member, partner or more than 10% of the total (combined) voting power. Service on the Board of another not-for-profit corporation does not constitute a conflict of interest. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this policy.

Members of the Dutchess County Local Development Corporation (DCLDC) Board of Directors and members of any committee formed under the DCLDC By-Laws (all such individuals shall be collectively referred to as “volunteers”) are prohibited from engaging in any act which is, could be, or could appear to be in conflict with their DCLDC positions. This includes the use of one’s position for personal profit or advantage.

While it is not possible to define all situations which may involve a conflict of interest, the following provisions illustrate some examples of this standard:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her or could reasonably be expected to influence him/her, in the performance of his/her duties or was intended as a reward for any action on his/her part.
- Using his or her position for private gain
- Compromised independence or impartiality;
- Adversely affecting the public’s confidence in DCLDC’s integrity
- No volunteer shall be present during any discussion or take part in any vote regarding any matter in which such volunteer has a direct or indirect financial interest, through business,

family or investment, in any entity with which DCLDC has or is considering having a transaction or agreement, or; Engage in, directly or indirectly, a financial transaction influenced by information obtained through his or her position with DCLDC.

Outside Employment of Authority's Employees: No employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties.

Duty to Disclose: Every January, or at any time thereafter in which a volunteer first becomes Affiliated with DCLDC, each volunteer shall be provided with a Conflict of Interest Questionnaire which shall be promptly completed and returned to the Governance Committee. Such written disclosure shall be made part of the official record of the proceedings of the authority. Such disclosure may require disclosure of other relationships that may not constitute an actual conflict of interest, but which are required to be disclosed in order for the Agency to comply with its annual reporting requirements. A Director or officer shall disclose a conflict of interest: (a) prior to voting on or otherwise discharging his duties with respect to any matter involving the conflict which comes before the Board or any committee; (b) prior to entering into any contract or transaction involving the conflict; (c) as soon as possible after the Director or officer learns of the conflict; and (d) on the annual conflict of interest disclosure form.

Each volunteer must promptly disclose to the Governance committee of DCLDC, in writing, all actual and potential conflicts of interest with any business, transaction, service, or confidential information of DCLDC which may arise after submission of the Conflict of Interest Questionnaire.

A signed Conflict of Interest Questionnaire must be returned even in the event a volunteer has no conflicts or potential conflicts to disclose.

Determining Whether a Conflict of Interest Exists: The Governance Committee shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

Approval of Contracts and Transactions Involving Potential Conflicts of Interest: Following receipt of information concerning a contract or transaction involving a potential conflict of interest, the Board shall consider the material facts concerning the proposed contract or transaction, including the process by which the decision was made to recommend entering into the arrangement on the terms proposed. The Board shall approve only those contracts or transactions in which the terms are fair and reasonable to the Agency and the arrangements are consistent with the best interests of the Agency. Fairness includes, but is not limited to, the concepts that the Agency shall pay no more than fair market value for any goods or services which the Agency receives and that the Agency should receive fair market value consideration for any goods or services that it furnishes others. The Board shall set forth the basis for its decision with respect to approval of contracts or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the consideration to be paid is fair to the Agency.

Recusal and Abstention: No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the public authority's ethics officer, general counsel or human resources representative in accordance with the authority's Whistleblower Policy and Procedures.

Penalties: Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.

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