



Monmouth County Homeless System Collaborative

CONFLICT OF INTEREST POLICY AND ANNUAL STATEMENT

Article 1 – Purpose

1. The purpose of this policy is to protect the Monmouth County HSC interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of any member or family member of the Monmouth County HSC.
2. This policy is intended to supplement any applicable state and federal laws covering conflicts of interest applicable to nonprofit and charitable organizations.

Article 2 – Definitions

1. Interested person(s) – Any member who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest – A person has a financial interest if the person had, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Monmouth County HSC had a transaction or arrangement, or
 - b. A compensation arrangement with the Monmouth County HSC or with any entity or individual with which the Monmouth County HSC has a transaction arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Monmouth County HSC is negotiating a transaction or arrangement.
3. 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. A person who has a financial interest may have a conflict of interest only if the Executive Board decides that a conflict of interest exists, in accordance with this policy.

Article 3 – Procedures

1. Duty to Disclose – in connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Executive Board.
2. Recusal of Self – any member may recuse himself or herself at any time from involvement in any decision or discussion in which the member believes that he or she has or may have a conflict of interest, without going through the process of determining whether a conflict of interest exists.
3. Determining whether a Conflict of Interest exists – after disclosure of the financial interest and all material facts, and after any discussion with the interested person(s), he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The Board will then decide if a conflict of interest exists.
4. Procedures for addressing Conflicts of Interest

- a. Once an interested person has identified a possible conflict of interest, the Chair of the Monmouth County HSC may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - b. After exercising due diligence, the Board shall determine whether the Monmouth County HSC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not present a conflict.
 - c. If such an alternative is not a feasible option, the Board shall determine by a majority vote of the disinterested member(s) whether the transaction or arrangement is in the Monmouth County HSC's best interest, for its own benefit, and whether it is fair and reasonable. Based on the Board's determination, it shall make its decision as to whether to enter into the transaction or arrangement.
5. Violation of the Conflicts of Interest Policy
- a. If any member of the Monmouth County HSC has reasonable cause to believe that another member has failed to disclose actual or possible conflicts of interest, he/she shall inform a member of the Board of the basis of such belief and the Board will discuss same with the member in question.
 - b. The member in question will be given an opportunity to explain the alleged failure to disclose to the Board.
 - c. If, after further investigation, the Board determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
 - d. Records of the Board proceedings shall include the name(s) of the parties involved, the determination of the Board, and the action(s) taken, if any. A full roster of members involved in the proceedings must be maintained.

Article 4 – Compensation

1. A voting member of the Board who receives compensation, directly or indirectly, from the Monmouth County HSC for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Monmouth County HSC for services is precluded from voting on matters pertaining to that member's compensation.
3. Any voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Monmouth County HSC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.