

## 3.6 COMMISSIONER CONFLICT OF INTEREST

Commissions should strive to achieve the greatest objectivity and impartiality possible in the review and selection of grantees in the state. Commissions are state entities and, therefore, should apply the appropriate state rules on conflict of interest. Commission members need to know exactly what provisions govern their participation in the grant review and selection process in their state in order to avoid any conflict of interest. There may be state laws and regulations that are even more stringent than the federal provisions. The National and Community Service Act of 1990, as amended, and the Corporation regulations governing State Commissions provide the following basic framework for avoiding conflict of interest.

### How Is Conflict Of Interest Defined?

As defined by the Act, a commission member is considered to have a conflict of interest if the member is currently, or was within one year of the submission of a grant application to the commission:

- an officer,
- a director,
- a trustee,
- a full-time volunteer, or
- an employee of an organization submitting a grant application to the commission.

The regulations further clarify that even the *appearance* of a conflict of interest must be avoided. If, for instance, a commission member founded, contributed to the founding, assisted in the development of, or donated large sums of money to an organization applying for funds, he or she would have a conflict in voting on the selection of programs.

The main rule to follow is: *any time a voting commission member is not, or does not appear to be, for any reason, impartial to a program that is applying to the commission for funding, the member has a conflict of interest.*

### General Rules Applicable to All Commission Members

**Commission members may not, under any circumstances, assist an organization in the preparation of a grant application, except to take part in a commission-approved program of technical assistance that is equally available to all potential applicants.** This requirement is in accordance with the rule that commission members may not provide anyone outside the commission with “insider information,” that is, information that has not been released by the commission or that is not already on the public record.

The statutory provision applies to all Corporation grant programs administered by the commission.

### What Happens If A Commission Member Has A Conflict Of Interest?

If a commission member has a conflict of interest, the member must recuse himself/herself from the commission's administration of the grant program, including such activities as:

- any discussions or decisions by the commission regarding the provision of funds or education awards to *any program or entity funded under the same funding category*;
- any discussions or decisions by the commission regarding the provision of funds or education awards to *that specific program*;
- the continuation of funds or education awards to *any such program or entity funded under the same funding category*; and
- participating in the oversight, evaluation, continuation, suspension, or termination of *any grant under the same funding category*.

### If Commission Members Have A Conflict Of Interest, In What Activities Can They Participate?

The above prohibitions are not intended to restrict commission members with a conflict, or the appearance of a conflict, from participating in commission meetings, hearings, and forums in which the general duties, policies and operations of the commission are discussed. The statute and regulations do not offer guidance on avoiding conflict of interest with respect to commission staff or proposal reviewers. Commissions will need to develop additional policies to cover staff and reviewers.

### What Happens If Enough Commission Members Recuse Themselves From Voting That The Commission Loses Its Quorum?

If adhering to this general restriction creates a situation in which a commission does not have enough eligible voting members to achieve a quorum (as defined by the State, but usually defined as one half of the total number of members plus one), the commission may, in a random and non-discretionary manner, select the number of recused commission members necessary to achieve a quorum. If previously recused commission members are allowed to vote for the purpose of achieving a quorum, the commission must document the event and report to the Corporation within 30 days of the vote. In no instance, however, may a commission member vote on an application submitted by his or her own organization.