

NRP Conflict of Interest Policy

1. **Statement of Purpose.** Everyone who is involved with the Neighborhood Revitalization Program (NRP) must be sensitive to conflicts of interest and related issues. The purpose of this policy is to assure that all recommendations and decisions related to the NRP, whether made by the Minneapolis Neighborhood Revitalization Program Policy Board or participating Neighborhood Associations, are made in a manner that encourages public confidence in the NRP process and outcomes.
2. **Definitions.** The following definitions apply to this policy:
 - 2.1. Disclose shall mean delivery of notice to the Board Chair or Executive Director of the relevant board or Neighborhood Association as soon as is reasonably practicable, or in any event, before the person making a disclosure votes on anything related to the subject matter of the disclosure.
 - 2.2. Gain shall mean gifts, gratuities and pecuniary gain, whether direct or indirect, from NRP Funds administered by the Neighborhood Association with which the Participant is involved or the NRP office.
 - 2.3. Household shall mean everyone who resides with another person and all of their relatives by blood, marriage, adoption or otherwise, wherever they may reside.
 - 2.4. MCDA shall mean the Minneapolis Community Development Agency.
 - 2.5. Neighborhood Association shall mean a non-profit corporation recognized by the NRP as representing a specific geographic area within the City of Minneapolis and which is funded, in whole or in part, by NRP money or which administers any activity or program funded, in whole or in part, by NRP.
 - 2.6. NRP shall mean the Minneapolis Neighborhood Revitalization Program.
 - 2.7. NRP Funds shall mean tax increment and other revenues of the Common Project and any other revenues of the city that are provided by the NRP and the earnings, interest, land sale proceeds, and spin-off benefits that result from investment of these revenues.
 - 2.8. Participant means any person who is a member of the NRP Policy Board, an employee of the NRP or an officer, director, committee chair, employee, or person working as an independent contractor of, a Neighborhood Association.
 - 2.9. Policy Board means the Minneapolis Neighborhood Revitalization Program Policy Board.
3. **Relationship with Other Applicable Law.** This Policy supplements but does not supercede federal, state and municipal law governing conflicts of interest as it may apply to government, non-profit and tax-exempt organizations.

4. **Authority for Adoption.** This Policy is adopted pursuant to the Policy Board's responsibilities as a public entity, as stated in Article II, section 3 of its by-laws and supplements but does not replace Article II, section 4 of the by-laws.
5. **Scope.** This Policy applies to all transactions, contracts and programs funded wholly or in part by NRP. It does not apply to Neighborhood Association activities that are not funded by NRP.
6. **Use of Information.**
 - 6.1. Everyone is entitled to fair access to the NRP process and all public information related to NRP activities.
 - 6.2. A Participant may not use information that is not public for personal or organizational Gain.
 - 6.3. A Participant may not pass information that is not public to someone else for the Participant's or someone else's personal or organizational Gain.
7. **Conflicts of Interest.**
 - 7.1. A conflict of interest occurs when the interest of a Participant, or a member of the Participant's Household, conflict or appear to conflict with the interests of the NRP.
 - 7.2. A conflict of interest occurs when the interest of a Participant, or a member of the Participant's Household, conflict or appear to conflict with the interests of a Neighborhood Association.
 - 7.3. A conflict of interest occurs when a Participant, a member of the Participant's Household, or an organization that employs a Participant has a substantial financial interest in an action to be taken by the NRP or Neighborhood Association.
 - 7.4. A Participant shall make full and complete disclosure of any actual or potential conflicts of interest.
 - 7.5. Conflicts identified under any provision of this Policy may be waived or otherwise remedied as provided herein.
8. **Types of Gains that Constitute a Conflict of Interest.**
 - 8.1. Gifts and Gratuities. Participants and members of their Households have a conflict if they directly or indirectly give, offer, request or accept gifts or gratuities from any person in connection with a transaction, proceeding, program or other action pending before the Policy Board or Neighborhood Association.

- 8.2. Political contributions. Policy Board members who are elected officials have a conflict if they solicit or receive political contributions from NRP employees while the employees are performing their NRP duties.
- 8.3 Participation in funded activities. Participants and members of their Households have a conflict if they participate in programs that are funded, in whole or in part, by NRP Funds, unless:
- 8.3.1 The Participant Discloses to the NRP and the Neighborhood Association, if applicable, that his or her application may represent a conflict of interest and such conflict is waived under this policy; and,
- 8.3.2 The Participant meets all applicable eligibility requirements established by the NRP and/or the Neighborhood Association for the specific program for which they are applying; and,
- 8.3.3 The application is reviewed and acted upon in accordance with the same guidelines and/or review criteria that apply to all applicants; and,
- 8.3.4 The Participant does not participate in any manner in the review of, decision on, or vote for his or her own application; and,
- 8.3.5 The organization responsible for the review and action on the Participant's application maintains, in its program records, certification that the Participant and the organization has complied with the requirements of this section and that the organization has taken the actions required by this policy to waive the potential conflict pursuant to this section.
9. **Relationships Creating a Duty to Disclose a Conflict of Interest.** Participants shall Disclose any relationship described under this section.
- 9.1 Relationships with other entities. Participants and members of their Households have a conflict of interest if they serve on the board of directors of or act as an employee or independent contractor of, any of the following:
- 9.1.1. A Neighborhood Association.
- 9.1.2 Any entity that receives or seeks to receive NRP Funds.
- 9.1.3. Any entity that conducts any activities, or seeks to conduct any activities that are or may be paid for, in whole or in part, by NRP Funds.
- 9.1.4 Any entity that governs, regulates, implements, or monitors activities funded in whole or in part by NRP Funds.
- 9.2 Policy Board Members. Policy Board members who represent community interests or neighborhoods on the board or are elected officials shall be deemed to have Disclosed their relationship with respect to their interest group, neighborhood, or governmental body regardless of the interest group,

neighborhood, or governmental body's receipt of or requests for NRP Funds and that any potential or actual conflict arising therefrom is waived.

10. Relief and Waiver.

10.1 Findings required for waiver. Conflicts of interests and prohibitions on relationships and/or transactions may be waived after full and complete disclosure if the organization makes findings of fact and records in the minutes that granting a waiver is in the best interests of the organization and NRP program.

10.2 Procedure for handling a conflict of interest. Any member of the Neighborhood Association as defined by the association's articles or bylaws or Participant, including a person who has made a disclosure, may, by point of order, ask that the person making the disclosure recuse him or herself from discussion and/or voting on the subject matter of the disclosure or may request a waiver of the conflict or prohibition. The Chair, or the Vice Chair if the Chair has the conflict, shall rule on whether relief is warranted and if so, what form the relief shall take (recusal, waiver, etc.).

The conflict may be addressed by waiving the conflict after reviewing the factual situation, removing the conflict by requiring an action by the individual with the conflict, or limiting the extent of the conflict. The Chair's (or the Vice Chair's) decision may be appealed and over-ruled only by a two-thirds vote of those Board Members present and eligible to vote. The Chair (or the Vice Chair) must resolve the issues raised by the disclosure before a vote can be taken regarding the subject matter of the disclosure.

10.3 Required record. The organization's record of the meeting or meetings at which a conflict is raised and/or addressed must include:

10.3.1 a list of the persons present at the meeting or meetings where discussion of or action on the disclosure or allegation took place;

10.3.2 adoption of findings required for waiver, if any;

10.3.3 the name of the person making the disclosure or who is alleged to have a conflict of interest or other action prohibited by this policy;

10.3.4 the disclosure or allegations;

10.3.5 the name of the person who brought the point of order or made the allegations;

10.3.6 a summary of the discussion on the point or allegations; and

10.3.7 the relief requested, the ruling of the Chair, the relief granted or denied and the vote taken on appeal, if any.

10.4 Retention of documents. Written disclosure documents shall be retained by the organization's secretary as part of the organization's records.

10.5 Action determinative. If the procedures of this section are followed in good faith, the action taken hereunder shall be determinative of the issue or allegations.

11. Policies Applicable to Neighborhood Associations.

11.1 Neighborhood Conflict of Interest Policies. Neighborhood Associations may adopt Conflict of Interest Policies that are more restrictive than this Policy. This Policy shall apply to all Neighborhood Associations, whether or not an association has adopted its own Conflict of Interest Policy.

11.2 Publication of Conflict of Interest Policies. The Conflict of Interest Policy of the Neighborhood Association and this Conflict of Interest Policy must be made known to the membership, reasonably available for public review, and shall be distributed to those who wish to serve in any of the positions subject to either Policy prior to any election or appointment that places them in office. Participants shall sign an acknowledgement of receipt of this Policy. The association shall retain the signed acknowledgement.

12. Policies Applicable to NRP Employees.

12.1 Conflict policy. The NRP Employee Handbook shall contain a written Conflict of Interest Policy that sets out procedures for defining, disclosing and addressing conflicts of interest; establishes rules defining participation in NRP programs; and prohibits requesting or accepting gratuities.

12.2 Political solicitations. An employee of the NRP who is running for public office shall not solicit or receive contributions for their campaign from NRP employees while either employee is performing their NRP duties.

12.3 Transmission to employees. NRP will provide the Conflict of Interest Policy and procedures to employees at the time they begin employment. The employee shall sign an acknowledgement of receipt of the policy. NRP will periodically review the policy with all employees to ensure understanding and compliance.

13. Sanctions.

13.1 Participants. The Policy Board or the board of the Neighborhood Association will address alleged violations by Participants of the Conflict of Interest Policy. The sanction applied should be based upon the seriousness of the breach in conduct. The available sanctions shall include but not be limited to:

- admonishment
- censure
- cancellation of any existing NRP funded contracts with the individual or their organization

- repayment of NRP Funds previously disbursed to the individual or their organization
- recovery of reasonable attorney fees and the costs for collection of disbursed NRP Funds, and/or
- barring the individual or organization from future participation in NRP activities and contracts.

13.2. Organizations. Violations of this Policy by any entity that receives NRP Funds shall be considered a breach of contract. In the event of a violation, the Policy Board shall have options available that include, but are not limited to:

- canceling any existing contracts,
- requiring repayment of NRP Funds previously disbursed,
- recovering reasonable attorneys' fees and the costs for collection of disbursed NRP Funds, and/or
- barring the organization from future participation in NRP activities and contracts.

13.3. NRP Staff. Staff members who violate Conflict of Interest provisions will be subject to the progressive disciplinary process described in The Employee Handbook.

Conflict of Interest Examples

Examples where conflict is present

1. A transaction between the organization and a member of its Board of Directors:
 - Organization purchases a building owned by a member of the Board.
2. A transaction between the organization and a member of the Board of Directors of an organizational subsidiary:
 - Organization gives a loan or grant to a director of its subsidiary corporation.
3. A transaction between the organization and another organization with which a member of the Board has a consulting contract:
 - Organization borrows money from a bank where a member of the organization's Board has a consulting contract.
4. A transaction between the organization and another organization in which a member of the Board has a substantial financial interest.:
5. A transaction between the organization and a member of the Household or blood relative of a director:
 - Organization purchases consulting services from the spouse of a director.

Examples where a conflict is not present

1. A transaction which generally benefits the neighborhood in which the organizations directors live.
 - Organization uses part of its NRP Funds to improve a commercial corridor streetscape on which no director has a business or owns property.
2. A transaction between an organization and its wholly owned subsidiary.
 - The organization and its subsidiary enter into a lease for space to be used by the subsidiary when the lease cost is consistent with the costs of similar quality space in the targeted geographic area where the office is to be located.
3. A person serves as a director on several neighborhood boards
 - A person is on the Board of Trustees of a church, a neighborhood development corporation and a cooperative in the same neighborhood but which have no transactions with each other. If transactions occur among these organizations a conflict may be present.
4. The organization enters into a transaction with a person who is not related to Board member.
 - The organization hires a neighborhood resident (other than a Board member or their relative) as a youth program supervisor using a non-discriminatory and open hiring process.