

Audit Committee Motion on Proposed Changes to UUA Conflict of Interest Policy

May 2, 2011

On November 1, 2010, the UUA Audit Committee voted to recommend that the Board of Trustees make a number of changes to the UUA Conflict of Interest Policy (UUA Governance Manual, Appendix 2.J).

When the proposed changes were posted in the January board packet, questions were raised by members of the Nominating Committee and the Religious Education Credentialing Committee about what types of relationships would require disclosure, recusal, or UUA Board action.

The language that is now proposed clarifies that the policy applies only in the case of a “close relationship,” which it defines.

The main changes from the current policy are as follows:

- The policy clarifies that recusal is necessary when a committee member faces a conflict concerning religious credentialing or the awarding of grants. In these cases, the Board of Trustees does not need to be involved, but the Moderator will be notified after the fact.
- Applicants for nomination or appointment to a committee are required to disclose potential conflicts of interest prior to action on their application.
- If a member of the Nominating Committee or the Board of Trustees has a possible conflict concerning an applicant, the Board must first decide if the applicant can be considered for the position. If so, then procedures are set out for how to deal with the potential conflict.
- The policy comes into effect only when there is a “close relationship” between a UUA decision-maker (e.g., a board, committee, or staff member) and the subject of a decision. The policy defines certain types of close relationships (e.g., “spouse or domestic partner; parent or child; sister or brother; ...”) and it also applies to any relationship that is likely to lead to a conflict (“...any actual or potential situation in which an individual’s close relationship to another party would make it difficult for the individual to be unbiased...”). It is up to the decision-maker to determine if a relationship needs to be disclosed.

Moved (Brody) and voted,

to recommend that the Board of Trustees amend the UUA Conflict of Interest Policy (UUA Governance Manual, Appendix 2.J), as follows:

UUA CONFLICT OF INTEREST POLICY

All officers, employees, and trustees of the Unitarian Universalist Association and all members of UUA committees shall scrupulously avoid any conflict between their personal, professional, or business interests and the interests of the Association.

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Definitions

“Close Relationship”

A “close relationship” is one of the following:

- a. A relationship with a spouse or domestic partner; parent or child; sister or brother; aunt, uncle, niece, or nephew; or the spouse of any of these persons; or
- b. Any other close family, personal, professional, or business relationship that might cause a conflict of interest, as defined in this policy.

“Committee”

A “committee” is any appointed or elected body of the Association, whether it is called a committee or a panel, board, commission, or other name.

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“Conflict of Interest”

A “conflict of interest” is any actual or potential situation in which an individual’s close relationship to another party would make it difficult for the individual to be unbiased in carrying out his or her obligations to the Association.

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“Interested Person”

If any officer, employee, trustee, or committee member has any direct or indirect interest in, or a close relationship with, any individual or organization that proposes to enter into any transaction or affiliation with the Association, including but not limited to the:

Comment [DSB1]: Current policy says “transaction.” Prior draft substituted “relationship,” which was confusing since this word also is used in previous clause. New phrase, “transaction or affiliation,” is intended to include both one-time and ongoing connections between the UUA and an individual.

- a. sale, purchase, lease or rental of any property or other asset,
- b. employment, or rendition of services, personal or otherwise,
- c. award of any grant, loan, contract, or subcontract,
- d. investment or deposit of any funds of the Association,
- e. credentialing or other evaluation of religious professionals, or
- f. appointment or election to an Association committee,

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such person shall be considered an “interested person” and shall give notice of such interest or relationship as specified in this policy.

Disclosure

The President shall assure that all officers, employees, trustees, and committee members are informed of this policy.

Association employees and members of ~~committees~~ advisory to the staff shall disclose possible conflicts of interest to the President. Officers and trustees of the Association, and members of all other committees, shall disclose possible conflicts to the Moderator.

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All applicants for appointment or election to an Association committee shall be informed of this policy and shall be asked to disclose any conflicts of interest that might compromise their ability to serve the Association. If any such conflict is disclosed, or is otherwise brought to the attention of the Moderator, the appointment or nomination of the individual may not be considered unless the Board of Trustees determines that the relationship should not bar the individual from service to the Association in the role being considered.

Comment [DSB2]: We leave it to the individual to determine whether a relationship is close enough to create a possible conflict, and thus require disclosure.

Comment [DSB3]: The board may delegate these decisions to the Executive Committee.

Each officer, trustee, senior staff member, and committee member shall annually

- a. acknowledge receipt of this policy, and
- b. disclose any interests in or relationships with individuals or organizations that might cause, or might reasonably be seen as being likely to cause, a conflict of interest.

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Conflicts of Interest Concerning Appointments and Nominations

If a member of the Board of Trustees, the Committee on Committees, the Moderator Nominating Committee, the Nominating Committee, or the Presidential Search Committee, has a conflict of interest with regard to an individual who is being considered for nomination or appointment, the member shall disclose the relationship to the Moderator, and no action may be taken on the appointment or nomination unless the Board, meeting in executive session, votes to authorize consideration of the individual. If the relationship involves a trustee, that trustee shall not be present during the executive session. In making its decision, the Board shall consider whether the nature of the relationship compromises the ability of the Board or committee to make an impartial decision.

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If the Board determines that consideration of the nomination or appointment may occur, the Board or committee member shall not participate in any way in gathering information about or otherwise evaluating the individual, shall not attempt to influence the action, and shall leave the meeting during the discussion of and vote on the action. However, the

Board or committee member, before leaving the meeting, shall be given the opportunity to provide to the Board or committee material information about the individual that would otherwise not be known.

Conflicts of Interest Concerning Credentialing of Religious Professionals

If a member of the Ministerial Fellowship Committee, the Religious Education Credentialing Committee, or the Board of Review, or a member of a subcommittee of one of these committees, has a conflict of interest with regard to an individual who is the subject of any action by the board or committee on which the member serves, the member shall disclose the relationship prior to the action, shall not participate in any way in gathering information about or otherwise evaluating the individual, and shall not attempt to influence the action. The Moderator shall be sent compliance notification shortly after each committee meeting at which a recusal occurs, and shall be informed of the number of recusals which occurred at the meeting. These committees may adopt additional conflict of interest rules or procedures, including additional requirements for recusal, which are not in conflict with this policy.

Conflicts of Interest Concerning Grants and Loans

If an interested person serves on a committee that makes recommendations or decisions concerning grants or loans, the interested person shall not participate in any way in a decision affecting the person or entity whose relationship with the interested person gave rise to the conflict of interest. The interested person shall leave the room during any discussion of the grant or loan. The Moderator shall be notified following any such recusal.

Other Conflicts of Interest

If an interested person discloses to the Moderator a possible conflict of interest (other than those types of possible conflicts discussed in previous sections of this policy), or if the Moderator becomes aware that an undisclosed possible conflict of interest exists concerning an officer, a trustee, or committee member, the matter shall be referred to the Board of Trustees for action.

The Board, meeting in executive session, shall determine if a material conflict of interest exists. Prior to the determination, the Moderator shall present information concerning the possible conflict of interest. The interested person shall be given the opportunity to make a statement, either in person or in writing. The interested person may not be present during the Board's deliberations.

If the Board determines that a material conflict of interest exists, it shall then determine whether consideration by the President or by the relevant committee of the proposed

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transaction or affiliation may continue, in the light of the disclosures. In making its decision, the Board shall consider whether the Association can obtain with reasonable efforts an equally advantageous transaction or affiliation from an entity that would not give rise to a conflict of interest.

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The President shall implement procedures for disclosure and determination of possible conflicts of interest involving employees of the Association and members of committees advisory to the staff. The procedures shall include the determination of whether a material conflict of interest exists and the determination of whether a transaction or affiliation may proceed despite the existence of a material conflict of interest.

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Any determination concerning a conflict of interest shall promptly be communicated to the interested person and to the chair of the committee on which the person serves.

If the President or the Board determines that consideration of a proposed transaction or affiliation can continue despite a material conflict of interest, the interested person shall refrain from attempting to exert any influence on the Association to affect a decision on such matter, shall not participate in any way in committee or other deliberations about the decision, and shall leave the room during any discussion of it.

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The President shall assure that all contracts for consulting services protect the Association from conflicts of interest on the part of the consultant.

Conflicts of Commitment

No officer, employee, trustee, or committee member of the Association may use or influence the use of the Association's financial, personnel, or other resources for personal benefit, or for any purposes other than the achievement of the ends of the Association.

Service by Employees on Other Governing Bodies

A UUA employee may serve on the governing body of any of the following types of organizations only with the prior approval of the President:

- an interdenominational or interfaith organization
- an associate member organization of the Association
- an independent affiliate organization of the Association
- an organization that does business with the Association

Such approval shall be reviewed annually.

This policy does not preclude service on the board of a congregation or UUA district.

Employment of Trustees

A UUA employee may not approach a member of the Board of Trustees regarding possible employment on the UUA staff. Without prior approval of the Board, a trustee may not apply for or accept employment with the Association within one year after the end of the member's service on the Board.

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Gifts

Officers, employees, trustees, and committee members may not accept gifts, loans, or pledges of behavior, of any kind, from any source, that could be interpreted as attempting to inappropriately influence any action taken by them on behalf of the Association. Officers, employees, trustees, and committee members may not accept cash gifts in any amount, or other gifts, entertainment, or favors in excess of \$100 per person per year, from any individual or organization which does or is seeking to do business with the Association.

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Delegation of Authority

The Board of Trustees may delegate any of its responsibilities under this policy to its Executive Committee.

Violations of the Conflict of Interest Policy

If the President or the Moderator has reasonable cause to believe that an individual has failed to disclose actual or possible conflicts of interest, or has otherwise violated this policy, he or she shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged violation.

If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the President or Moderator determines the individual has violated this policy, he or she shall initiate appropriate disciplinary and corrective action.

If the Board of Trustees concludes that a serious violation has been committed by a member of the Board or by a member of a committee appointed by the Board or elected by General Assembly, the Board shall take appropriate disciplinary measures, up to and including removal from the Board or committee.

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