



CONFLICT OF INTEREST POLICY

I. Purpose

The purpose of the conflict-of-interest policy is to protect the Renton Housing Authority, interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Renton Housing Authority or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to public housing authorities

II. Definitions

1. Interested Person – Any commissioner, director, principal officer, or member of a committee with board-delegated powers, 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 has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Renton Housing Authority has a transaction or arrangement.
 - b. A compensation arrangement with the Renton Housing Authority or with any entity or individual with which the Renton Housing Authority has a transaction or arrangement; or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Renton Housing Authority is negotiating a transaction or arrangement.
3. Compensation – Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. It does not include travel reimbursement for commissioners. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the board or members of committees with board-delegated powers determine that a conflict of interest exists unless otherwise defined by law.

III. Procedures

1. Duty to Disclose

In connection with any actual, appearance 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 Commissioners and members of committees with board-delegated powers considering the proposed transaction or arrangement.

2. 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, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall determine if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An Interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the board or committee shall determine whether the Renton Housing Authority can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Renton Housing Authority's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- #### 4. Violations of the Conflicts of Interest Policy
- a. If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstance, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

IV. Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the boards or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

V. Compensation

Commissioners may receive reimbursement for specific expenses incurred for special travel or conference expenses incurred in the discharge of the commissioner's duties. Commissioners must submit a request for reimbursement of such expenses using the Renton Housing Authority's Travel Authorization and Expense Report form.

VI. Annual Statements

Each commissioner, director, principal officer and member of a committee with board-delegated powers shall annually sign a statement which affirms such person:

- a. Has received copies of the Conflicts of Interest Policy, Code of Conduct Policy, Policies on Governance, and Policy on the Responsibilities of the Board of Commissioners.
- b. Has read and understands these policies;
- c. Has agreed to comply with these policies; and
- d. Understands the Renton Housing Authority is a municipal corporation created pursuant to the Statutes of the State of Washington; that the Renton Housing Authority's funds are public funds and that the Renton Housing Authority regularly receives and utilizes federal funds.

VII. Periodic Reviews

To ensure the Renton Housing Authority operates in a manner consistent with applicable laws, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether contracts are awarded in accordance with the Renton Housing Authority's policies and procedures; that compensation arrangements under such contract are reasonable; and are the results of proper procurement and are "arm's length" transactions.

- b. Whether partnerships, joint ventures, and arrangements with management Renton Housing Authority's conform, to the Renton Housing Authority's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Renton Housing Authority's statutory purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.