



## Montgomery County, Maryland Interagency Commission on Homelessness

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### Statement of Ethics, Code of Conduct and Conflict of Interest Policy and Procedures

#### **Introduction and Purpose:**

The members of the Montgomery County Interagency Commission on Homelessness (ICH) are entrusted with specific responsibilities related to use of public funds invested in addressing a serious community concern, homelessness. Members are expected to observe the highest standards of ethical conduct in the execution of these responsibilities. In the performance of their duties, Members are expected to carry out the mandate of the CoC to the best of their ability, and to maintain the highest standards of integrity for actions with other Members of the ICH, service recipients, service providers, and members of the public.

To that end, the Interagency Commission on Homelessness, serving as the Governing Body of the Montgomery County Continuum of Care, establishes this Statement of Ethics, Code of Conduct and Conflict of Interest Policy and Procedures in order to provide a foundation of ethics for the Montgomery County Continuum of Care. This policy applies to all individuals with decision-making authority under the ICH governance structure, including Commissioners as well as voting members of committees with delegated authority to carry out ICH roles and responsibilities. This document is intended to supplement and further define the existing Policies and Procedures required for Montgomery County Commissions, and includes the following:<sup>1</sup>

- I. Statement of Ethics
- II. Code of Conduct and Conflict of Interest
- III. Procedures and Annual Statement

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<sup>1</sup> General Policies and Procedures for Montgomery County Boards, Committees, and Commissions can be found at: <https://www.montgomerycountymd.gov/boards/policy.html>

## **I. Statement of Ethics**

The members of the Montgomery County Interagency Commission on Homelessness, as the Governing Body of the Montgomery County Continuum of Care (CoC), serve as role models for the organization and are obliged to demonstrate constructive teamwork and to be exemplary representatives of the community's efforts to prevent and end homelessness. We lead by demonstrating, planning, and working with our colleagues to implement the CoC's mission.

In order to fulfill our responsibilities as members of the Montgomery County Interagency Commission on Homelessness in an ethical and efficacious manner, we pledge to:

1. Participate in the development of the values, purpose, goals, and planning strategies for the CoC;
2. Represent the interest of people served by the COC;
3. Conduct ourselves with courtesy and respect, without harassment, or physical or verbal abuse;
4. Ensure personal relationships do not result in special considerations, including bias or favoritism, that influence the performance of our official duties in a manner contrary to the interest of the broader CoC;
5. Work diligently to see that policy decisions are made in a timely fashion, including following agreed upon decision-making protocols, emphasizing due process and fairness; and to support final decisions of the CoC;
6. Communicate and support COC values, missions, goals, policies and strategies to all constituents honoring the diversity in the communities we represent;
7. Not use this organization or my service on this ICH for one's personal advantage or for the individual advantage of friends, supporters, or organization(s);
8. Support and encourage pride, diversity, and accountability within the framework of COC's mission and goals;
9. Maintain and do nothing to violate the trust of those who elected or appointed us to the ICH or committees, or those we serve;
10. Recognize that a ICH member has no authority as an individual and that the power possessed is not individual, but represents the authority delegated under the direction of the ICH; and
11. Respect and preserve the confidentiality of discussion and/or privileged information.

In the event that a member of the ICH acts in a manner inconsistent with this Statement of Ethics, ICH will follow the procedures outlined in Section III to address and resolve the issue, including but not limited to termination from position or membership.

**II. Code of Conduct and Conflict of Interest**

**SECTION 1: Conflict of Interest**

A conflict of interest may exist when the interests or activities of any member, director, or officer may be seen as competing with the interest and activities of the organization; when the member, director or officer, derives a financial or other material gain as a result of a direct or indirect relationship. Such conflicts are presumed to exist in those circumstances in which a member or director’s actions may have a preferential impact upon the agency or entity employing the member or director. Such actions are presumed to include, but are not limited to, the development of policies in which a self-serving bias may be present as well as in decisions affecting the allocations of resources.

The Montgomery County ICH members may not participate in decisions concerning awards of grants or provisions of financial benefits to such member or the member’s organization. They must recuse themselves from the decision-making process.

**SECTION 2: Acceptance of Gifts or Favors**

The Montgomery County ICH prohibits the solicitation and acceptance of gifts or gratuities (anything of monetary value) by its members, officers, employees, and agents for their personal benefit where the recipient would either compromise impartial performance or would be viewed by the public as compromising impartial performance.

### **SECTION 3: Fraud Intolerance**

- 3.1 The term fraud refers to, but is not limited to: intentionally entering false or erroneous information into electronic software system; any dishonest or fraudulent act; forgery or alteration of an official document; misappropriation of funds, supplies, or COC materials; improper handling or reporting of money or financial transactions; profiting by self or others as a result of inside knowledge; destruction or intentional disappearance of records or equipment; accept or seeking anything of material value from vendors or persons providing services or materials to the COC for personal benefit; or any similar or related irregularities.
- 3.2 A member who has reason to believe that there may have been an instance of fraud, improper action, or other illegal act in connection with a COC program, function or activity shall report it immediately to the Chair(s) of the ICH. If the Chair(s) is not available, or is the one suspected of fraud, the member should report it immediately to another ICH member.
- 3.3 Improper actions are actions undertaken by a member in the performance of their official duties that:
  - a) are in violation of any federal, state, or local law; or
  - b) constitute an abuse of authority;
  - c) create a substantial, specific danger to public health or safety; or
  - d) misuse of COC funds; or
  - e) represent a conflict of interest.
- 3.4 Reported incidences will be investigated as expeditiously as possible by the Chair or Co-Chair of the ICH as appropriate and in accordance with procedures outlined in Section III. When an investigation confirms that fraud or an illegal act(s) has occurred, appropriate corrective action will be taken.

### **SECTION 4: Corrective Action**

Violation of any portion of this Code of Conduct will be subject to corrective and/or disciplinary action which could include immediate termination from position and/or membership.

## **SECTION 5: Distribution**

The Code of Conduct has been distributed to the ICH of Directors and will be posted on the Montgomery County ICH website.

## **III. Procedures and Annual Statement**

### **SECTION 1: Purpose**

1. The purpose of this policy is to:
  - a. Ensure the Montgomery County Continuum of Care upholds the highest standard of ethics and accountability in exercising the duties and responsibilities related to its mission and purpose, and
  - b. To protect the Montgomery County Continuum of Care interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a member of the ICH.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

### **SECTION 2: Definitions**

1. Interested person – Any member, principal officer, or member of a committee with governing 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 COC has a transaction or arrangement;
  - b. A compensation arrangement with the COC or with any entity or individual with which the COC 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 COC is negotiating a transaction or arrangement. 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 ICH decides that such a conflict of interest exists, in accordance with this policy.

### **SECTION 3: Procedures**

#### **Related to Code of Conduct and Conflict of Interests:**

1. Duty to Disclose – In connection with any perceived or actual 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 ICH.
2. Recusal of Self – Any member may recuse themselves at any time from involvement in any decision or discussion in which the member believes they have or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
3. Determining Whether a Conflict of Interest Exists – After disclosure of the conflict of interest and all material facts, and after any discussion with the Interested person, the remaining members present shall decide whether the Interested person should leave the relevant meeting while the determination of a conflict of interest is discussed and voted upon.
4. Procedures for Addressing the Conflict of Interest
  - a. An interested person may make a presentation at the meeting and may be asked to leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
  - b. The Chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, the ICH shall determine whether the COC 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 ICH shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the COC'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.

5. Violations of the Conflicts of Interest Policy

- a. If the ICH has reasonable cause to believe a member has failed to disclose perceived or actual 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 circumstances, the ICH determines the member has failed to disclose a perceived or actual conflict of interest, it shall take appropriate disciplinary and corrective action.

**Related to Statement of Ethics:**

- 1. Duty to Uphold Ethical Conduct – It is the responsibility of every member to adhere to the values outlined in the Statement of Ethics.
- 2. Violations of Statement of Ethics:
  - a. Issues related to violations of the statement of ethics should be reported to the Chair and Co-Chairs, who will assemble an Ethics Review Ad Hoc Committee not to exceed 5 members.
- 3. The committee will make a recommendation to the Chair of the appropriate course of action to address the misconduct, including but not limited to termination of membership. In the event that termination of membership is deemed appropriate, the Chair will make the recommendation to the County Executive for removal and replacement. If requested by a majority of ICH members, an Ethics Review and Ad Hoc Committee may also be assembled to give guidance to the CoC concerning other aspects of conduct, including actions of staff, consultants or other persons charged with implementation of duties relative to the responsibilities of the Continuum of Care.

#### **SECTION 4: Records of Proceedings**

The ICH must conduct/transact business in a fair and transparent manner. To this end, the ICH will promptly create a record of actions, consideration, and decisions.

These records shall contain:

1. 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 decision as to whether a conflict of interest in fact existed.
2. 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.
3. The names of persons who were alleged to have violated the Statement of Ethics, the nature of the violation and issues to be addressed, the impact of the violations on the ability of the CoC to uphold its duties and responsibilities, and the decision of the ICH, including any assembled committee, as to the appropriate course of action to address the violation.
4. The names of the persons who were present for discussions and votes relating to alleged ethical violation, the content of the discussion, including any alternatives to the agreed course of action, and a record of any votes taken in connection with the proceedings.

#### **SECTION 5: Compensation**

1. A voting member of the ICH who receives compensation, directly or indirectly, from the COC 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 COC for services is precluded from voting on matters pertaining to that member's compensation.



3. Any voting member of the ICH or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the COC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **SECTION 6: Annual Statements**

1. Each ICH member, including commissioners and voting members of a committee with ICH delegated powers shall annually sign a statement which affirms such person:
  - a. Has received a copy of the statement of ethics, code of conduct and conflict of interest policy,
  - b. Has read and understands the policy, and
  - c. Has agreed to comply with the policy.
2. Annual written disclosure statements will be provided to each voting member prior to any meeting held in which a vote will be taken. Voting Members will not be permitted to participate in a discussion or a vote until the statement is received by the CoC Lead Agency.
3. If at any time during the year, the information in the annual statement changes materially, ICH shall disclose such changes and revise the annual disclosure form.
4. The ICH shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

### **SECTION 7: Annual Review of Policy and Procedure**

ICH will annually review, update as appropriate and approve this policy and procedures.

**Adopted by the Montgomery Interagency Commission on Homelessness, February 27, 2019**