



Internal Guidelines for Dealing with a Potential or Substantial Conflict of Interest
Pursuant to C.G.S. §§ 1-85; 1-86(a); and Article VIII of the By-Laws

1. A conflicted or potentially conflicted Board member must determine whether there exists an interest which is in substantial or potential conflict with the proper discharge of his/her duties in the public interest and of his/her responsibilities as a member of the Board. (See C.G.S. §§ 1-85 & 1-86(a)).
 - a. **Substantial Conflict**: Ask yourself - "Do I have reason to believe or expect that I--my spouse, my dependent child(ren) ("Immediate Conflicted Family Members"), or a business with which I am (or a business with which Immediate Conflicted Family Members are) associated--will derive a **direct** monetary gain or suffer a direct monetary loss by reason of my official activity"?
 - i. If yes, then there exists a substantial conflict. Next, see if the exception applies.
 - ii. **Exception**: Ask yourself – "Does the benefit or detriment accrue to me or any of the Immediate Conflicted Family Members to **no greater extent** than any other member of such profession, occupation or group"?
 1. If the benefit (or detriment) is of no greater extent than others, then the exception applies and the Board member does not have an interest which is in substantial conflict with the proper discharge of his/her duties.
 2. If the benefit (or detriment) is to a greater extent than others, then the exception does not apply. Continue to **Steps 2, 3, and 5, below**.
 - b. **Potential Conflict**: Ask yourself - "Am I required to take an action that would affect a financial interest of mine, any Conflicted Family Members, or a business that I am associated with"?
 - i. If the action affects a financial interest of mine, Conflicted Family Members¹, or a business that I am associated with, then there exists a potential conflict. Next, see if an exception applies.
 1. **Exception 1**: Ask yourself – "Is the financial interest *de minimus*"?²
 - a. If *de minimus*, then the exception applies and the Board member does not have a potential conflict of interest.
 - b. If not *de minimus*, then the exception does not apply. Continue to **Exception 2**, below.
 2. **Exception 2**: Ask yourself – "Is the financial interest distinct from a substantial segment of the general public"?
 - a. If the financial interest is distinct from a substantial segment of the general public, then the exception does not apply. Continue to **Steps 2, 4, and if applicable 5, below**.

¹ Conflicted Family Members include Immediate Conflicted Family Members and the Board members' spouse(s), parent(s), sibling(s), child(ren)--along with the spouse(s) of any child(ren).

² (Over \$100.00/person/year). See C.G.S. § 1-86(a) and § 1-81-30(a) of the Regulations of Connecticut State Agencies ("RCSA").

- b. If the financial interest is not distinct from a substantial segment of the general public, then the Board member does not have a potential conflict of interest.
2. A substantially conflicted or potentially conflicted Board member must disclose the existence and nature of the conflict to the Board. (By-Laws, Article VIII).
3. A substantially conflicted Board member, per C.G.S. § 1-85, must not take official action on the matter (i.e. excuse him/herself).
4. A potentially conflicted Board member, per C.G.S. § 1-86(a) and By-Laws, Article VIII, must:
 - a. Excuse him/herself from participation in any deliberation or vote on the matter and may not otherwise take any affirmative action on the matter; **or**
 - b. Prepare and sign, under penalty of false statement, a written statement to the Office of State Ethics, describing the nature of the conflict and explaining why s/he is able to objectively participate in any vote or discussion concerning the matter.
 - i. **Note:** A copy of the statement must be memorialized in the minutes of the Board.
5. Per the By-Laws, a conflicted or potentially conflicted Board member should:
 - a. Leave the room and not participate during the discussion of, and voting upon, the matter and not have any access to non-public/confidential information regarding the matter.³

Note: Pursuant to RCSA 1-81-28(h), a Board member can seek guidance from Citizen's Ethics Advisory Board to determine whether a substantial conflict of interest exists.

³ The Board member should not be involved or participate in any discussion, deliberation, vote, on a matter in which s/he is potentially conflicted, or be privy to any confidential information concerning same. For example, the Board member may not receive any materials in his/her Board package concerning the conflicted matter and the Board member may not be present during any Executive Session, or other, discussion of the matter.