

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY****MEMORANDUM**

**FOR:** Chair Phyllis J. Randall and Members  
Northern Virginia Transportation Authority

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** October 2, 2020

**SUBJECT:** Conflict of Interest Policy Revisions

---

1. **Purpose:** To seek Northern Virginia Transportation Authority (NVTA) adoption of proposed replacement of Policy Number 2 – Conflict of Interest, as unanimously recommended by the NVTA Finance Committee, on September 17, 2020.
2. **Suggested Motion:** *I move Authority adoption of the attached proposed replacement of Policy Number 2 - Conflict of Interest.*
3. **Background:**
  - a. The current Conflict of Interest Policy was adopted on December 11, 2014, and has not been revised since.
  - b. The proposed changes to the Policy have five purposes:
    - i. Make the Statement of Economic Interest (Statement) reporting cycle once a year instead of twice.
    - ii. Update procedural wording for Statement filing and staff recusal in the event of a real or apparent conflict of interest.
    - iii. Update procedural wording for Statement filing by the Executive Director and Chief Financial Officer.
    - iv. Implement a procedure to identify which additional Authority staff are required to file an annual Statement.
    - v. Correct/Update references to the Code of Virginia.
  - c. The current policy underwent numerous revisions while under review with NVTA's Council of Counsels and staff resulting in the track change version becoming illegible. Therefore, in the interest of clarity, the current Policy is proposed to be repealed and replaced with the attached draft.

**Coordination:**  
Council of Counsels

**Attachments**  
Current Policy 2- Conflict of Interest  
Draft Policy 2 – Conflict of Interest

# Attachment.

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### Policy Number 2 -- Conflict of Interest

- I. **Purpose.** The purpose of this policy is to ensure that the Northern Virginia Transportation Authority (NVTA) employees participate in the Authority's business in a manner free from any conflicts of interest or the appearance of a conflict of interest.
  
- II. **General.** All staff shall comply with the State and Local Government Conflict of Interests Act and this policy. Consistent with the intent of the *Code of Virginia* §2.2-3114 and 2.2-3115, staff in positions that may influence financial decisions of the Authority shall file a "Statement of Economic Interests" by December 15<sup>th</sup> and June 15<sup>th</sup> of each year as required by law with the Clerk to NVTA and the Virginia Conflict of Interest and Ethics Advisory Council. The NVTA recognizes elected officials are required to biannually file their Statement of Economic Interests through their locality.
  
- III. **Procedures.**
  - A. **Recusal.** In the event that a staff member is conflicted (consistent with the parameters provided in his/her "Statement of Economic Interests") or would have the appearance of potentially being conflicted, the staff member shall recuse him/herself from any discussion or deliberation of the relevant item. The record of the relevant meeting shall reflect such recusal.
  
  - B. **Process.** In December and June of each year, the Executive Director shall remind relevant staff of the biannual requirement. Statements will be provided to the Executive Director by December 15<sup>th</sup> and June 15<sup>th</sup> of each year. The Executive Director will inform the chair of the Authority that he/she has completed and filed his/her statement. Statements shall be filed with the State and a copy will be retained in an appropriate file by the Executive Director.
  
  - C. **Designated Staff.** Staff members with responsibility for financial advice, transactions or project selection shall be required to file a statement as specified by the Executive Director. As a minimum, this will include the Executive Director, Chief Financial Officer, Assistant Finance Officer and Program Coordinators.

**Approved by the Finance Committee:** December 5, 2014

**Approved by Northern Virginia Transportation Authority:** December 11, 2014

# **NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**

## **Policy Number 2 - Conflict of Interest**

- I. Purpose.** The purpose of this policy is to ensure that the Northern Virginia Transportation Authority (NVTA) employees participate in the Authority's business in a manner free from any conflicts of interest or the appearance of a conflict of interest in accord with the Code of Virginia, Chapter 31. State and Local Government Conflict of Interests Act (the ACT).
- II. General.**
- A.** All NVTA staff shall comply with the ACT, this policy and the relevant sections of the NVTA Employee Handbook.
  - B.** All NVTA staff will read and familiarize themselves with the ACT and the Employee Handbook.
  - C.** Consistent with the intent of the ACT, staff as designated in their position descriptions shall file an annual "Statement of Economic Interests" by January 15<sup>th</sup> of each year with the NVTA Chief Financial Officer (CFO). The "Statement of Economic Interests" will be on the form created by the Virginia Conflict of Interest and Ethics Advisory Council in accordance with Va. Code § 2.2-3117.
  - D.** The Executive Director and CFO will also file a Statement of Economic Interest (Statement) by January 15<sup>th</sup> of each year. The Statements will be filed and retained in accord with III. B. iv below.
  - E.** Elected and appointed Authority Members will make filings and disclosures as required by law.
- III. Procedures.**
- A. Recusal.**
- i.** In the event that a staff member is conflicted or would have the appearance of conflict with the parameters provided in 2.2-3103, 2.2-3109, 2.2-3112 or any other aspect of the ACT, the staff member shall act in accordance with the ACT, which includes the potential to recuse him/herself from any discussion or deliberation of the relevant item. If such recusal is necessary, the staff member must inform the CFO of the recusal and reason.
  - ii.** If the CFO needs to make a recusal, he/she will do so through informing the Executive Director.
  - iii.** If the Executive Director needs to make a recusal, he/she shall do so by informing the Authority Chair and CFO.
  - iv.** A record of any recusals shall be kept by the CFO noting the dates, meetings and reason for the recusal.
  - v.** A permanent log of recusals will be maintained by the Clerk to the Board.

**B. Process.**

- i.** In December of each year, the CFO shall remind relevant staff of the annual requirement to file a Statement of Economic Interest (Statement) and provide the current Statement form.
- ii.** Completed Statements will be submitted to the CFO by January 15<sup>th</sup> of each year.
- iii.** The Executive Director will inform the Authority Chair when he/she and the CFO have completed and filed their Statements and copy of this notice will be attached to the relevant Statements.
- iv.** Statements shall be retained and available for inspection for a period of five years from the date of receipt.

**IV. Designated Positions.** Staff members with senior decision-making responsibility for financial transactions or project selection shall be required to file a Statement as specified by the Executive Director and noted on the individual position descriptions. As a minimum, this will include the Executive Director and Chief Financial Officer.

**V. Implementation.** The 2020 revisions to this Policy will be effective immediately, with the first reporting cycle starting on January 15, 2021.

**Approved by the Finance Committee:** December 5, 2014

**Approved by Northern Virginia Transportation Authority:** December 11, 2014

**Policy Repeal and Replace Approved by the Finance Committee:** DRAFT 2020

**Policy Repeal and Replace Approved by the NVTa:** DRAFT 2020