

Conflict of Interest Policy

Process Owner

Vice President of Contracts

Purpose

This DLH Holdings Corp (DLH) corporate policy has been developed to assure adequate processes and procedures are in place to avoid and to identify, manage, reduce, or eliminate conflict of interest (COI) and the appearance of COI with respect to projects for which U.S. Government funding is sought or provided, pursuant to regulatory requirements including FAR Subpart 3.11 (Preventing Personal Conflicts of Interest for Contractor Employees Performing Acquisition Functions), FAR Subpart 9.5 (Organizational and Consultant Conflicts of Interest) and 42 CFR Part 50, Subpart F for grants and cooperative agreements and 45 CFR Part 94 for contracts, as well as contractual requirements in existing DLH contracts.

The policy applies to **all DLH Holdings Corp (including all subsidiaries) officers and employees**. The basic tenets of this DLH policy are as follows:

- Avoidance of COI
- Identification of COI and Potential COI
- Required Disclosure of Significant Financial Interests
- Implementation of Mitigation Strategies (where appropriate)

DLH and subsidiary employees (DLH Employee) are required to adhere to the following guidelines regarding conflicts of interest and potential conflicts of interest, except where a contract or grant specifies reporting requirements greater than this policy. In those cases, the contract or grant COI requirement prevails over the DLH guidelines.

For subcontracts, consulting, and vendor agreements, DLH shall incorporate as part of a written agreement, terms that ensure the principles of DLH policy are enforced. This may include either a requirement that the external party comply with DLH policy or that the COI policy of the external party will apply.

Policy

1. Policy Terminology

1.1. Acquisition Function

Providing an *acquisition function* means participating or assisting in the procurement of a good or a service which may include, but is not limited to, developing statements of work, providing specifications toward a scope of work, and evaluation of the merits of a proposal to the government.

1.2. Covered Employee

A *Covered Employee* means:

- 1.2.1. an Investigator,
- 1.2.2. Project Manager, OR
- 1.2.3. DLH Employee performing an acquisition function closely associated with inherently governmental functions when working under a government funded contract

For purposes of this policy and associated procedures relating to

Significant Financial Interests, "Covered Employee" shall include the DLH Employee, the employee's spouse or domestic partner, and dependent children.

1.3. Investigator

Investigator means the principal investigator, project director, or project manager or any other person who is responsible for the design, conduct, or reporting of a research project funded by Public Health Service (PHS) or proposed for such funding.

1.4. Conflict of Interest

A *conflict of interest* is a scenario arising where due to activities, financial interests or relationships a person or entity is unable or potentially unable to render impartial assistance or advice to another party and/or the person/entity's objectivity might be otherwise impaired, or a person/entity has an unfair competitive advantage.

1.5. PHS

PHS refers to the Public Health Service, an operating division of the U.S. Department of Health and Human Services (HHS), and any components of the PHS to which the authority involved may be delegated.

1.6. PHS Awarding Component

A *PHS Awarding Component* is an organizational unit of the PHS that funds Research and is subject to 42 CFR Part 50 or 45 CFR Part 94.

1.7. Personal Conflict of Interest

A *personal conflict of interest* is a situation in which a Covered Employee has a financial interest, personal activity, or relationship that could impair the individual's ability to act impartially.

1.8. Significant Financial Interest

A *significant financial interest* means anything of monetary value (aggregated for the DLH Employee, employee's spouse or domestic partner, and dependent children), including, but not limited to:

- 1.8.1. Salary or other payments for services (e.g., consulting fees or honoraria) in excess of \$5,000;
- 1.8.2. Equity interests valued at \$5,000 or more (e.g., stocks, stock options, or other ownership interests whether or not publicly traded);
- 1.8.3. Intellectual property rights valued at \$5,000 or more (e.g., patents, copyrights, and royalties from such rights).

The term *does not* include:

- 1.8.4. Salary, royalties, or other remuneration from DLH
 - 1.8.5. Income from seminars, lectures, or teaching engagements or service on advisory committees or review panels sponsored by federal, state or local government or an institution of higher education, an academic teaching hospital, a medical center or a
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research institute that is affiliated with an institute of higher education

- 1.8.6. Income from investment vehicles, as long as the Covered Employee does not directly control the investment decisions made in these vehicles.

1.9. DLH Designated Official

The DLH designated official is the individual designated by DLH to assist in the identification of Covered Employees; review required certifications and financial disclosures; determine whether a COI or potential COI exists; approve mitigation plans; provide required reports, notifications, and disclosures to outside entities; and otherwise ensure that the requirements of this policy and procedure are implemented.

The DLH designated official is the Vice President of Contracts.

2. Policy Details

Since DLH Employees, subcontractors, consultants, and vendors have developed widely valued expertise, networks, and interests, it is expected that there may be relationships and interests that must be identified, vetted, and sometimes mitigated to ensure that conflicts of interest do not affect provision of services, performance, research results, procurement integrity, or create an improper appearance for DLH, its employees, or its clients.

2.1. Disclosure

DLH will employ adequate policies and procedures to ensure the following:

- 2.1.1. DLH requires that all Covered Employees who charge time directly to a U.S. Government funded project complete an annual certification regarding COI including disclosure of any Significant Financial Interest and travel that is reimbursed or sponsored by another party which relate directly or indirectly to grant or contract funding that is being sought or is currently held by DLH.
- 2.1.2. When responding to solicitations or requests for assistance with a COI requirement, DLH requires that before an application or proposal is submitted to the Government, each Covered Employee who may participate in the proposal or who will charge direct to the project must disclose to the DLH designated official his or her known Significant Financial Interests (and those of his or her spouse or domestic partner and dependent children) which relate directly or indirectly to the funding that is being sought by DLH.
- 2.1.3. DLH requires that for personnel changes under existing grants or contracts that contain a COI certification requirement, each prospective Covered Employee must disclose to the DLH designated official his or her known Significant Financial Interests (and those of his or her spouse or domestic partner and dependent children) which relate directly or indirectly to the funding for the existing grant or contract.
- 2.1.4. DLH requires that, for existing grants or contracts, **all DLH Employees** disclose to the DLH designated official any new reportable Significant Financial Interests (and those of his or her spouse or domestic partner and dependent children) within 30 days of acquiring or discovering a new Significant Financial Interest which relates directly or
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indirectly to grant or contract funding.

- 2.1.5. Nothing herein is intended to discourage or prohibit disclosure to the DLH designated official of financial interests that do not meet the definition of Significant Financial Interest should the project manager or investigator wish to disclose such information. Voluntary disclosure of such information could be viewed favorably in the event of a future determination of COI or potential COI, or should a situation arise necessitating mitigation or sanctions.
- 2.1.6. In addition to disclosure of Significant Financial Interests, all employees have a duty to disclose to the DLH designated official any information that they believe could pose an actual or apparent COI for themselves individually or for DLH.
- 2.1.7. For independent consultants and subcontractor employees (which may include project managers or investigators), it is DLH policy to require disclosure as set forth above unless the subcontracting entity has in place a policy which is at least as restrictive as DLH' policy. For subcontracts, consulting and vendor agreements, DLH shall incorporate as part of a written agreement, terms that ensure the principles of DLH policy are enforced. This may include either a requirement that the external party comply with DLH policy or that the COI policy of the external party will apply

2.2. Review/Determination

All disclosure statements (including both reported disclosures and certification of no Conflict of Interest) shall be submitted to Human Resources for placement in the employee HR file. In the event of a disclosure, the Human Resources shall send the disclosure the the DLH designated Official. The DLH designated official shall review the disclosures for identification of any actual or apparent COI.

2.3. Mitigation

A mitigation plan shall be developed for any actual or apparent COI.

2.4. Reporting Requirements

The DLH designated official, or his/her designee, shall send all required reports and disclosures to clients or third parties and make all required documentation publicly available as required by applicable regulations.

2.5. Maintenance of Records

- 2.5.1. DLH shall maintain records of all financial disclosures submitted under this policy and all actions taken by DLH with respect to each COI for a minimum of 3 years after final payment or 3 years after the final expenditure report is submitted (whichever is later) under the contract or grant unless a longer period is required under Federal law or company policy. Such records shall be retained with the employee file in Human Resources.
- 2.5.2. DLH agrees to make such records available to the U.S. Government contracting or grant official(s) upon request.

2.6. Enforcement and Sanctions

- 2.6.1. Enforcement of this policy is the responsibility of all employees, including the Executive Officers, Operating Unit presidents, DLH designated official, and Covered Employees.
 - 2.6.2. Failure to disclose COI could have severe and lasting
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impact on both the company and individual employees, including civil penalties, criminal sanctions, rescission of contract, suspension, or debarment.

2.6.3. Notwithstanding criminal and civil sanctions applicable to individuals, failure of employees to disclose COI or Significant Financial Interest or enforce a mitigation plan will be referred to the Human Resources group as a performance issue and sanctions could include removal from a project, suspension, and termination of employment. In addition, failure in any of these areas could result in additional mitigating requirements to ensure that conflicts do not exist.

2.7. Training

2.7.1. DLH shall provide training on the requirements of this policy to all new employees during new-hire orientation.

2.7.2. DLH shall include the basic tenets of this policy as a part of its annual training for all employees.

2.8. Interpretation and Enforcement

Contact the Vice President of Contracts, for questions about the content of this policy or for guidance regarding procedural requirements for compliance.

Responsibilities	It is the responsibility of the Vice President of Contracts to monitoring this policy and the procedures that implement the policy.
	Deviations or violations of this policy may result in an employment action up to termination of an employee.
Reference	Policies:
	Procedures: -SOPCON-05 Reporting Conflicts of Interest -Handling Reports of Conflicts of Interest
	Forms: -Certification Regarding Conflict of Interest -Statement of Significant Financial Interest and Sponsored Travel
	Other:
