

## Human Resources

### Policy # HR-51

**Subject:** **Nepotism and Personal Relationships**

Date: 12/20/01

Reviewed: 10/15/02, 10/15/03, 10/01/04, 10/14/05, 11/01/06, 11/01/07, 10/14/08, 12/30/09, 12/30/10, 3/1/12, 3/29/13, 3/31/14, 3/30/15, 3/28/16, 3/31/17, 3/30/18, 3/22/19, 4/3/20

Revised: 7/16/19, 8/12/19

Purpose: To clearly define and establish agency policy regarding standards for employing related individuals as well as induction of related members to the Board of Trustees. 00010

Policy: Daniel permits the employment of qualified relatives of current employees, members of the employee's household and /or immediate family as long as such employment does not create a conflict of interest. Additionally, members of the Board of Trustees can be related if not representing a majority of the board.

1. Daniel Memorial supports an environment where employees maintain clear boundaries between employee personal and business interactions. Individuals in supervisory relationships or other influential roles are subject to more stringent requirements under this policy because of their access to sensitive information, and their ability to influence employment decisions.
2. Family members of current Daniel Memorial employees may become employees of the agency. However, the appointment must be approved by the president or her designee, who will determine whether there is any conflict of interest.
3. For the purpose of this policy, "relative" is defined as a member of the employee's immediate family which includes: spouse, parent, child, grandparent, sibling, grandchild, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, step-parent, step-child, domestic partner, or legal guardian or other person who stands in the place of a parent.
4. An employee who is related to, or involved in a personal relationship with another employee may not work directly for or supervise that employee. A "personal relationship" is considered a relationship between individuals who have, or had, a continuing relationship of a romantic or intimate nature. The agency reserves the right to take prompt action if an actual or potential conflict of interest arises concerning individuals who occupy positions at any level in the same line of authority that may affect employment decisions. Matters such as hiring, firing, promotions, performance management, compensation decisions, financial transactions, etc. are examples of situations that may require reallocation of duties and personnel to avoid any actual or perceived reward or disadvantage.
  - a. In cases where it is necessary to transfer one of the employees to another position or department, the individual with the most tenure will be considered for transfer first to avoid any perception of retaliation against the less tenured person.

## Human Resources

### Policy # HR-51 (Continued)

- b. Where doubts exist as to the specific meaning of the terms used above, employees should make judgments on the basis of the overall spirit and intent of this policy. Employees may seek clarification and direction from their immediate supervisors.
5. A trustee is permitted to be related to another trustee as long as the situation does not result in a majority-related board. Specifically, the agency adheres to the IRS requirement that no more than 49% of trustees can be related by blood or marriage to guard against insider transactions or misuse of assets. Dual capacity status, e.g. an individual is an employee and trustee, is not permitted. It is permissible for a board trustee to be related to an employee with specific restrictions. For example, if a trustee's relative is to be hired by the organization, the related board member must recuse themselves of voting on the hiring and compensation amount for their relative (a relative in this case is the same as listed above).

---

Doug Standard  
VP of Community Programs

---

Lesley Wells  
President/CEO