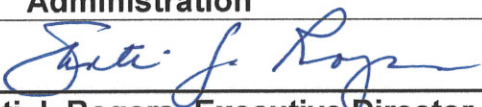
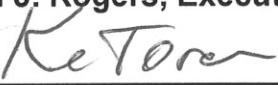


SAN ANDREAS REGIONAL CENTER

Policy:	Conflict of Interest Policy for Employees and Board Members		
Date of Issue:	September 1, 2010	Supersedes:	New
Department:	Administration	Distribution:	All Employees
Approved:	 Santi J. Rogers, Executive Director	Date:	January 1, 2011
Approved:	 Ken Toren, President Board of Directors	Date:	January 1, 2011

POLICY:

San Andreas Regional Center shall ensure that any and all actions taken by employees and board members will reflect the best interests of the consumers being served. Any and all conflicts of interest regarding decisions made on behalf of San Andreas will be identified and corrected or the proper waiver will be obtained. San Andreas will follow the laws regulations regarding a conflict of interest established in Title 17 of the California Code of Regulations (Section 54500-54529) and the California Welfare and Institutions Code (Section 4622, 4626-4628)

IMPLEMENTING PROCEDURE:

I. Definitions:

- A. Actual or present conflict of interest means an existing conflict of interest.
- B. Potential conflict of interest means a situation which, based on circumstances reasonably expected to occur at a point in the future, may result in a conflict of interest at that time.
- C. Financial interest of an employee is defined as an interest in
 - 1. any business entity or provider which the employee has a direct or indirect investment worth more than \$1000;
 - 2. any real property in which the employee has a direct or indirect investment worth more than \$1000;
 - 3. any source of income, other than loans by a commercial lending institution in the regular course of business on terms available to

the public without regard to employee status, aggregating \$250 or more in value provided to, received by or promised to the employee within 12 months prior to the time when the decision is made.

- D. Indirect investment or interest is defined as any investment or interest owned by the spouse or dependent child of an employee, by an agent or behalf of the employee, or by a business entity or provider or trust in which the employee, the employee's agent, spouse or dependent children own directly, indirectly or beneficially a 10 percent interest or greater.
- E. A financial effect is material if it will result in a benefit detriment gain loss or profit to the employee, entity or provider.

II. CONFLICTS OF INTEREST:

- A. A conflict of interest exists when an employee or his or her family member:
 - 1. is a member of the Board of Directors of San Andreas; or
 - 2. an employee, a member of the board of directors, a director, an officer, an owner, a partner, a shareholder, or a trustee of any organization either doing or actively planning to do business with San Andreas; or
 - 3. holds any position of management in any business entity or provider either doing or actively planning to do business with San Andreas; or
 - 4. has decision or policy making authority in such an entity or provider either doing or actively planning to do business with San Andreas; or
 - 5. makes a decision regarding regional center activities or services involving a business entity or provider either doing or actively planning to do business with San Andreas, in which he or she has a financial interest.
- B. A conflict of interest exists when a regional center employee devotes less than his or her full time attention and effort to regional center employment during the hours he or she is compensated to work.
- C. A conflict of interest exists when a regional center employee provides services for salary, honorarium, or compensation of any kind during the hours he or she is compensated to work. This does not apply to regional center employees who are officially off duty.

- D. Conflict of interest related to employment of family members.
1. No employee can participate in reviewing an application for regional center employment from a family member.
 2. No employee can directly supervise another regional center employee or serve as a reviewing officer for reports of performance for a regional center employee who is a family member.
 3. California law defines family members as the employee's spouse, domestic partner, brother, sister, parents, children, step children, father-in-law, mother-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, grandchildren, and grandparents.
- E. Employees cannot continue employment with San Andreas when there is a conflict of interest unless the employee eliminates the conflict of interest or obtains a waiver.
- F. Each employee is required to file a conflict of interest statement disclosing any actual and/or potential conflict of interest and signed under penalty of perjury with the Human Resources Department at the time of employment and annually thereafter.
- G. Each employee is required to report any actual and/or potential conflict of interest that arises after the initial filing to the Human Resources Department.

III CONFLICT OF INTEREST DISCLOSURE PROCESS:

- A. All employees are required to file a conflict of interest disclosure form at the time of initial hire and annually thereafter. The conflict of interest forms will be reviewed by the Director of Human Resources.
- B. Any employee conflict of interest that is identified will be investigated by the director of human resources. The circumstances of the conflict of interest will be discussed with the San Andreas Executive Director or designee. The Executive Director or designee will determine the agency course of action in regard to the conflict. The agency course of action may include, but not be limited to, the following:
1. Accept the conflict with a waiver and changes in the employee's duties so as to minimize undue influence.
 2. Require the employee to divest themselves of the conflict as a condition of employment.

3. Require the employee to divest the conflict and reassign employee to duties that would limit contact with the potential conflict.
- C. Any employee with a conflict of interest will have the opportunity to file for a waiver within 30 days of the discovery of the conflict. The granting of the waiver is entirely the decision of the executive director. If the waiver is not granted the employee must divest themselves or cease employment with the regional center. If the employee does not request a waiver the employee must divest themselves of the conflict or cease employment.

Policy: **Conflict Of Interest Policy for Employees And Board Members**

Reviewed by:

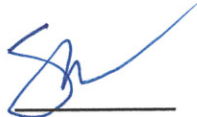
Greg House _____

Mimi Kinderlehrer _____

Gina Fiallos _____

Approved by:

Santi J. Rogers _____



Supporting Laws And Regulations.

**California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures
§54500. Authority and Scope.**

These regulations prescribe conflict of interest standards and procedures for all members of the regional center governing boards and employees of the regional center to ensure that such persons make decisions relative to the regional center which are in the best interests of the center's clients and families pursuant to authority provided in Section 4627 of the Welfare and Institutions Code. Members serving on the governing board of a regional center on January 1, 1982 are subject to these regulations to the extent not prohibited by Welfare and Institutions Code, Section 4626.

**California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures
§54520. Conflict of Interest Standards for Regional Center Governing Board Members.**

(a) The following constitute conflicts of interest for regional center governing board members:

(1) A conflict of interest exists when a member of the governing board or a family member of such person is a director, officer, owner, partner, shareholder, trustee or employee of any business entity or provider, holds any position of management in any business entity or provider, or has decision or policy-making authority in such an entity or provider, except to the extent permitted by Welfare and Institutions Code, Section 4626(a)(3) and (b). These conflict of interest provisions are in addition to those stated in Welfare and Institutions Code, Sections 4622(a)(9) and 4626.

(2) A conflict of interest exists when the advisory committee board member, appointed pursuant to Welfare and Institutions Code, Section 4622(a)(7), is an employee or member of the governing board of a provider from which the regional center purchases client services and engages in the activities prescribed in Welfare and Institutions Code Section 4622(a)(9). Such member is therefore prohibited from serving as an officer of the regional center governing board and from voting on the matters or issues described in Section 4622(a)(9). Furthermore, the member is subject to disclosure under Section 54522 of these regulations in addition to providing a list of his or her financial interests, as defined in Government Code Section 87103. Fiscal matters, as used in Welfare and Institutions Code Section 4622(a)(9) include, but are

not limited to, setting purchase of service priorities, transferring funds to the purchase of service budget, and establishing policies and procedures with respect to payment for services.

(3) A conflict of interest exists when a governing board member is any individual described in Welfare and Institutions Code Section 4626. A financial interest in regional center operations, as used in Welfare and Institutions Code Section 4626(a)(4), exists if it is reasonably foreseeable that the member's interest, or the member's decision regarding that interest, will have a material financial effect, on the board member's interest in, or relationship with, the business entity or provider pursuant to Government Code, Section 87103. The financial effect is material if the decision will result in a benefit, detriment, gain, loss or profit to the member, entity or provider.

(b) The regional center governing board shall not enter or authorize the regional center to enter into any contract or any other type of agreement for pecuniary gain with any entity or provider in which a member has a conflict of interest as set forth in subsection (a)(1) and (a)(3) above, nor shall the board or board member allow the regional center to refer a client or prospective client to such an entity or provider.

(c) No regional center governing board member who has a conflict of interest shall continue to serve as a board member in violation of these provisions unless the board member has eliminated the conflict of interest or obtained a waiver pursuant to these regulations. This prohibition does not apply to the extent it is precluded by Welfare and Institutions Code, Sections 4626(a)(3) and (b).

California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures
§54521. Conflict of Interest Standards for Regional Center Employees.

(a) The following constitute conflicts of interest for regional center employees:

(1) A conflict of interest exists when a regional center employee or a family member such person is a governing board member, director, officer, owner, partner, shareholder, trustee, or employee of any business entity or provider, holds any position of management in any business entity or provider, or has decision or policy-making authority in such an entity or provider, or makes a decision regarding regional center operations involving a business entity or provider in which he or she has a financial interest.

For the purpose of this section, an employee has a financial interest in regional center operations if it is reasonably foreseeable that the employee's interest or the employee's decision regarding that interest will have a material financial

effect, as distinguished from its effect on the regional center's clients and/or their families generally, on:

- (A) Any business entity or provider in which the employee has a direct or indirect investment worth more than one thousand dollars (\$1000).
- (B) Any real property in which the employee has a direct or indirect interest worth more than one thousand dollars (\$1000).
- (C) Any source of income, other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to employee status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the employee within 12 months prior to the time when the decision is made.

For purposes of this section, "indirect investment" or "interest" means any investment or interest owned by the spouse or dependent child of an employee, by an agent on behalf of an employee, or by a business entity or provider or trust in which the employee, the employee's agent, spouse, or dependent children own directly, indirectly, or beneficially a ten percent interest or greater.

The financial effect is material if it will result in a benefit, detriment, gain, loss, or profit to the employee, entity, or provider.

- (2) A conflict of interest exists when a regional center employee devotes less than his or her full-time attention and effort to his or her regional center employment for that period for which he or she is being reimbursed.
- (3) A conflict of interest exists when a regional center employee provides services for salary, honorarium, or compensation of any kind in such fashion that the employee is receiving dual compensation for the same period of time. This subsection does not apply to regional center employees while officially off duty.
- (4) A conflict of interest exists when a regional center employee participates in the evaluation of an application for employment at the regional center when the applicant is a member of the employee's family, or when an employee acts as a supervisor of another regional center employee who is a member of the supervisor's family.
 - (A) For the purpose of this subsection, supervisors shall include those individuals who serve as reviewing officer for reports of performance

(B) For the purpose of this subsection, family members shall include: spouse, children, stepchildren, parents, stepparents, brothers, sisters, grandchildren, grandparents, or inlaws.

(b) No regional center employee shall continue employment with the regional center where the employee has a conflict of interest in violation of those provisions, unless the employee eliminates the conflict of interest or obtains a waiver pursuant to these regulations.

**California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures
§54522. Conflict of Interest Disclosure--Content of Statements, Procedures and
Actions Required for Resolution.**

Definition:

"Decision or Policy-Making Authority" means the authority an individual possesses whenever the individual:

- (1) makes a final decision; or
- (2) may compel a decision or may prevent a decision either by reason of an exclusive power to initiate the decision or by reason of a veto which may or may not be overridden; or
- (3) makes substantive recommendations which are, and over an extended period of time have been, regularly approved without significant amendment or modification by another person or entity or provider; or
- (4) votes on matters, appoints or hires people, obligates or commits his or her agency to any course of action, or enters into any contractual agreement on behalf of his or her agency.

This authority does not include actions of the individuals which are solely secretarial or clerical.

(a) Within 60 calendar days of the effective date of this Article, each regional center employee who has decision or policy-making authority, as defined in Section 54505(e) herein, and each member of the governing board, including the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), shall prepare and file an initial conflict of interest statement pursuant to these regulations. Employees shall file their statements with their respective regional center and governing board members shall file their statements with

their regional center governing board. Subsequent statements shall be filed thereafter whenever a change in status would create a present or potential conflict of interest situation as defined in these regulations. Individuals serving in any capacity under a waiver granted pursuant to Section 54523 of these regulations shall be required to file a conflict of interest statement with each waiver renewal as required pursuant to Section 54524(b)(3) of these regulations. The regional center and governing board shall designate the individual who is responsible for receiving, processing, and maintaining the initial and subsequent annual statements for their own respective agency. Such individual, however, may not review his or her own filed statement. The initial conflict of interest statement and all subsequent annual statements shall be dated, signed, and contain a declaration, under penalty of perjury, that the governing board member or employee has:

- (1) No present or potential conflict of interest;
- (2) A present conflict of interest; or
- (3) A potential conflict of interest pursuant to these regulations

The individual shall specify the factual basis for that determination and provide full and complete disclosure relative to any present or potential conflict of interest, including a description of the nature of the conflict of interest. For the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), the disclosure shall include, to the extent not otherwise disclosed, a list of the member's financial interest as required by Welfare and Institutions Code, Section 4622(a)(9)(C).

(b) If a present or potential conflict of interest exists, the statements of regional center employees and governing board members, including the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), shall if desired by the governing board member or regional center employee, also contain a request for waiver of the prohibitions of any present or potential conflict of interest, and a suggested plan of action for resolution of the present or potential conflict of interest, including limitations on the governing board member or regional center employee which will enable him or her to avoid actions involving the conflict of interest during the period the waiver request is being reviewed pursuant to Section 54523 of these regulations .

(c) The regional center or regional center governing board shall review, respectively, the waiver requests of all regional center employees and governing board members, and determine, in its discretion, whether to submit the request pursuant to the regulations, or require the individual to eliminate the conflict of interest or resign his or her position as stated therein.

(d) If a present or potential conflict of interest exists and no waiver is requested, or if the regional center or regional center governing board elects not to submit such a

request in accordance with these regulations, the regional center employee or governing board member, and the board member designated by the regional center provider advisory committee pursuant to Welfare and Institutions Code, Section 4622(a)(7), shall have thirty (30) calendar days from the date of filing the conflict of interest statement or the date of notification by the regional center or its governing board in which to either take whatever action is necessary to eliminate the conflict of interest, or resign his or her position as a regional center employee or governing board member. During the thirty (30) calendar day period, the employee or board member shall avoid all involvement with or participation in regional center activities involving the conflict of interest in question.

(e) If no conflict of interest is declared at the time of filing the initial statement or subsequent statements, no further action is required by the governing board member or regional center employee unless or until such time as that individual's status changes, so that he or she is in a present or potential conflict of interest situation. Upon such a change in status, a new statement shall be filed immediately with the member's governing board or the employee's regional center, specifying the factual basis for that determination and providing full and complete disclosure relative to the present or potential conflict of interest in accordance with provisions of subsection (a) above.

**California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures**

54523. Requests for Waiver.

Request for Waiver for Regional Center Employee Conflict of Interest

(a) If the conflict of interest statement filed by the regional center governing board member or the regional center employee indicates that a present or potential conflict of interest exists and a waiver is being requested, then within thirty (30) calendar days of receipt of such a statement, the governing board or regional center shall, unless it has elected to do otherwise pursuant to Section 54522 (c), submit the request for waiver packet in accordance with the procedures set forth in this section.

(b) All requests for waiver packets must be submitted to the Department. In addition, copies of requests for waiver packets involving governing board members must also be sent to the area board in the area and to the State Council.

(c) Requests for waiver packets shall include:

(1) A copy of the board member's or employee's conflict of interest statements;

- (2) The request for waiver;
- (3) The plan of action for resolution of his or her conflict of interest and the time frames for doing so; and
- (4) Any limitations proposed by the governing board or regional center to be applied to the board member or employee during the term of the waiver. Limitations may include, but are not limited to:
 - (A) Abstention by the person from voting on the conflict of interest situations;
 - (B) Nonparticipation by the person, individually or as part of a group, in the preparation, presentation, formulation or approval of reports, plans, policies, analyses, opinions or recommendations regarding the conflict of interest situation, when the exercise of judgement is required and the purpose is to influence the decision;
 - (C) Noninvolvement of the person in the negotiation, obligation, or commitment of the regional center to a course of action involving the conflict of interest situation;
 - (D) Reassignment of the person to duties or responsibilities where no conflict of interest exists; and
 - (E) Establishment of an independent review and prior approval procedure by supervisors or administrative staff regarding purchase of service and other decisions made by the person with respect to the conflict of interest situation.
- (5) The individual(s) responsible for ensuring that the above plan of action or limitations are applied and monitored.
- (6) Any other information which the employee or board member feels is pertinent to his or her request.

California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures
§54524. Response to Requests for Waiver.

(a) Within twenty (20) calendar days after the area board in the area and the State Council receive copies of a request for waiver packet regarding a regional center governing board member, the area board in the area and the State Council, respectively, shall provide to the Department their written approval or disapproval of such request. The Department may not approve the request for waiver of a regional center governing board member without the approval of both the area board in the area and the State Council.

(b) Within sixty (60) calendar days after the Department receives a request for waiver packet the Department will respond to the request for waiver in writing:

(1) Explaining the outcome of its review including approval or denial of the request, where appropriate, and the rationale for the decision;

(2) Specifying the actions, if any, by the governing board or regional center which the Department deems necessary in order to resolve the conflict of interest; and

(3) Stating the duration of the waiver, if approved, according to the following:

(A) For the members of the governing boards who are subject to those regulations, the duration of the waiver may not exceed one year;

(B) For the regional center employee, the duration of the waiver will be determined by the Department.

(c) If the request for waiver is denied by the Department and/or the State Council or area board in the area pursuant to subsections (a) and (b) herein, the governing board member or regional center employee shall have thirty (30) calendar days from the date of receipt of the denial in which to either take whatever action is necessary to eliminate the conflict of interest or resign his or her position as a governing board member or regional center employee. During this thirty (30) calendar day period, the board member or employee shall avoid all involvement with and participation in the conflict of interest in question.

California Code of Regulations
Title 17, Division 2
Chapter 3 - Community Services
SubChapter 3 - Regional Center Administration Practices and Procedures
Article 1 - Regional Center Conflict of Interest Standards and Procedures
§54525. Sanctions.

(a) If the Department finds a governing board, a board member, a regional center or a center employee, in violation of any of the sections set forth in this Article, the Department shall:

- (1) Immediately inform the party or parties in writing of such violation, including the supporting facts or information upon which determination of violation was made; and
- (2) Require that the party or parties take appropriate action, within thirty (30) calendar days of the notice of violation, to resolve the conflict of interest or otherwise eliminate the violation. The Department may extend this thirty-day period only once and for a period not to exceed thirty (30) calendar days.

(b) If the violation is not resolved or eliminated within the thirty (30) calendar days as herein provided, and no extension of time has been granted by the Department, the Department may take immediate action to:

- (1) Withhold part of the funding for that regional center; or
- (2) Commence procedures for termination or nonrenewal of the regional center contract pursuant to Welfare and Institutions Code, Section 4635.

The area board in the area and the State Council shall be notified of the above action.

This space to be filled out by Regional Center or its governing board, as appropriate.

Type of Submission:
Check one:

Reviewed by: _____
Name (Print)

Title

Initial _____
Annual _____
Other _____

Identify:

Approved by: _____
Name (Print)

Title

Regional Center _____
or
Governing Board _____

SAN ANDREAS REGIONAL CENTER Conflict of Interest Disclosure Statement

1. Are you, or any member of your ***immediate family**, employed by the State Department of Developmental Services? ☐ Yes ☐ No

If yes, in what capacity? _____

2. Are you, or any member of your immediate family, employed by a state of local public or private agency which provides services to regional center consumers? ☐ Yes ☐ No

If yes, Name of Agency _____
In what capacity? _____

a) Does your position include administrative or policy making responsibility? ☐ Yes ☐ No

b) Does your position include responsibility for the regulation of the regional center?
☐ Yes ☐ No

3. Are you, or any member of your immediate family, an individual vendor of services to regional center consumers? ☐ Yes ☐ No

If individual vendor, what services? _____

4. Are you, or any member of your immediate family, a member or employee of the State Council on Developmental Disabilities? ☐ Yes ☐ No

5. Are you, or any member of your immediate family, a member or employee of any area board on developmental disabilities? ☐ Yes ☐ No

6. Are you, or any member of your immediate family, a member or employee of the governing board of, or in a contractual relationship with, any entity from which the regional center purchases consumer services? ☐ Yes ☐ No

If yes, Name of Entity _____
In what capacity? _____

7. Do you, or any member of your immediate family,

- a) Have a direct or indirect investment worth One Thousand Dollars (\$1,000), or more, in any business or agency from which the regional center buy goods, supplies or services? ☐ Yes ☐ No

If yes, Name of Entity _____
In what capacity? _____

- b) Have a direct or indirect interest in real property worth One Thousand Dollars (\$1,000), or more, on which supplies or services are provided to regional center consumers? ☐ Yes ☐ No

If yes, Name of Regional Center _____

8. Are you, or any member of your immediate family, employed in any capacity by any regional center?
☐ Yes ☐ No

If yes, Name of Regional Center _____
In what capacity? _____

9. Do you, or any member of your immediate family believe that by serving on the Board of the Regional Center you are in any way in conflict of interest? ☐ Yes ☐ No

If yes, please explain _____

***immediate family is defined as any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of any such person.**

In addition to completing the above, I have read *State Regulations Title 17, California Administrative Code, Chapter 3, Subchapter 2, Article 1 upon which I declare under penalty of perjury.

Check 1, 2, or 3:

- _____ 1. No potential conflict of interest exists.
_____ 2. No present conflict of interest exists.
_____ 3. A present or potential conflict of interest exists.

If 1 or 2 is checked, sign and date and submit this statement to San Andreas Regional Center or its governing board, as appropriate. Subsequent statements must be submitted within one year of this filing, earlier if the conflict of interest status changes. If 3 is checked, the additional information required pursuant to these regulations must accompany this statement. Sign and date this statement and submit everything to the regional center or its governing board, as appropriate.

Signature

Date

h:\business\conflict of interest statement
September 2010

*State Regulations Title 17, California Administrative Code, Chapter 3, Subchapter 2, Article 1