



CONFLICT OF INTEREST POLICY FOR BOARD MEMBERS AND THE EXECUTIVE DIRECTOR

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1. PURPOSE

The purpose of this policy and procedure is to ensure that NLACRC's board of trustees and its executive director make decisions on behalf of the regional center that are in the best interest of the regional center consumers and their families as outlined in the Welfare and Institutions Code Section 4600 et seq. and The California Code of Regulations Section 54500 et seq. Such decisions shall be made without regard to the interests of any "family member" or any organization with which they are interested.

2. SCOPE

This policy applies to NLACRC's board of trustees and its executive director.

3. RESPONSIBILITY

Human Resources and NLACRC's board of trustees have the overall responsibility to ensure that the regional center complies with this policy and procedure for NLACRC. All board members and the executive director must ensure that they comply with this policy as outlined below.

4. DEFINITIONS

- 4.1 "Family member" includes the individual's spouse, domestic partner, parents, step parents, grandparents, siblings, step-siblings, children, step-children, grandchildren, parents-in-law, brothers-in-law, sisters-in-law, sons-in-law and daughters-in-law. (CCR Section 54505(f)).
- 4.2 "Member" means an individual serving as a member of the governing board, board of directors, or board committee of a business entity, entity, or provider as defined herein. (CCR Section 54505 (g))
- 4.3 "Potential conflict of interest" means a situation which, based upon circumstances reasonably expected to occur at a point in the future, may result in a conflict of interest, as specified in these regulations. (CCR Section 54505(h).)

- 4.4 "Present conflict of interest," means a conflict of interest, as specified in these regulations, which currently exists. (CCR Section 54505(i).)
- 4.5 "Financial interest" for purposes of CCR Section 54522 "includes any current or contingent ownership, equity, or security interest that could result directly or indirectly, in receiving a pecuniary gain or sustaining a pecuniary loss as a result of the interest in any of the following:
1. Business entity worth two thousand dollars (\$2,000) or more.
 2. Real or personal property worth two thousand dollars (\$2,000) or more in fair market value.
 3. Stocks or bonds worth two thousand dollars (\$2,000) or more.
 4. Intellectual property rights worth five hundred dollars (\$500) or more.
 5. Sources of gross income aggregating five hundred dollars (\$500) or more within the prior 12 months.
 6. Future interests for compensation of five hundred dollars (\$500) or more.
 7. Personal finances of two hundred fifty dollars (\$250) or more." (CCR Section 54522(b))

5. **POLICY**

- 5.1. NLACRC board members and its executive director or their family members shall not work or serve in a position that creates a conflict of interest. A conflict of interest exists when a regional center governing board member, executive director or family member is any of the following for a business entity, entity, or provider except to the extent that such position is permitted by WIC Section 4622 and 4626:

1. a governing board member
2. a board committee member
3. a director
4. an officer
5. an owner
6. a partner
7. a shareholder
8. a trustee
9. an employee
10. an agent
11. a contractor
12. a person who holds any position of management
13. a person who has decision or policy-making authority (CCR Section 54526.)

These conflict of interest positions are in addition to those conflicts identified in WIC sections 4622 and 4626. (CCR Section 54520, or CA WIC Sections 4622 or 4626)

- 5.2 Similarly, a conflict of interest exists when an advisory committee board member appointed pursuant to WIC Section 4622 takes on any role prohibited by CCR Section 54521.

- 5.3 Neither NLACRC's governing board members nor shall its executive director "make, participate in making or in any way attempt to use his or her position to influence a regional center or board decision in which he knows or has reason to know that he or she or a family member has a financial interest." (CCR Section 54522 and WIC Sections 4626 and 4627) "Financial interest" is defined in CCR Section 54522(b).
- 5.4 NLACRC governing board members, its executive director, and family members shall be "guided solely by the interests of the regional center and its consumers and not their personal financial interests when participating in the making of contracts in their official capacity." (CCR Section 54523, WIC Sections 4626 and 4627)
- 5.5 NLACRC governing board members and its executive director shall "discharge their responsibilities with integrity and fidelity, and are prohibited from placing themselves in a position where their private, personal interests may conflict with their official duties, "and shall "exercise the powers conferred upon them with disinterested skill, zeal and diligence and for the benefit of the regional center and the consumers." The executive director or governing board members shall be disqualified from participating in matters where "his or her family member's personal or pecuniary interest conflicts with the individual's duty to act in the best interest of the regional center or the consumers." (CCR Section 54524, and WIG Sections 4626 and 4627).
- 5.6 Regional center senior management employees, such as the executive director, are prohibited from hiring relatives at the regional center or any ancillary foundation and organization. ("Relatives" as defined in CCR Section 54505(f)).

6. PROCEDURE

- 6.1 If the executive director or a governing board member has a conflict of interest as set forth in the CCRs or WIG, he or she must (1) eliminate the conflict of interest, (2) obtain an approved conflict resolution plan, or (3) resign his or her position with the regional center or regional center governing board. Neither the executive director nor board members shall serve "unless the individual has eliminated the conflict of interest or obtained an approved conflict resolution plan." (CCR Sections 54525, 54533 and WIG Sections 4626 and 4627)

7. REPORTING

- 7.1 Conflicts of interest for the executive director or governing board members identified in a completed conflict of interest reporting statement and conflict resolution plan shall be submitted to DDS and the State Council on Developmental Disabilities within 30 calendar days of receipt of the completed conflict of interest reporting statement.
- 7.2 If a conflict of interest has been identified by DDS, the reporting statement and plan shall be submitted within 30 calendar days of the receipt of DDS's notification. (CCR Section 54533 subsections (d) and (e))
- 7.3 The regional center shall post on its website each completed conflict of interest reporting statement that identifies a present or potential conflict of interest that cannot be resolved within 30 days for board members or the executive director. The statement shall remain on the website until the conflict has been eliminated. (CCR Section 54533(f))

8. ENFORCEMENT

- 8.1 The State Council of Developmental Disabilities and DDS must review and resolve any governing board member or executive director conflicts of interests. (CCR Section 54534)
- 8.2 DDS may sanction the regional center for violations of the provisions of this article. (CCR Section 54535)

9. REFERENCES/FORMS

- 9.1 Conflict of Interest Reporting Statement.
- 9.2 Conflict Resolution Plan. The requirements for this plan are further outlined in CCR Section 54533(9).