

POLICY**TITLE: Conflict of Interest****POLICY NO. O-7****DATE SUBMITTED: 5/3/11****PAGE 1 OF 6****Purpose:**

To protect the integrity and credibility of Kern Regional Center (KRC) and to ensure compliance with Welfare and Institution Code sections 44626 and 4626.5 and Title 17, California Code of Regulations, sections 54500 through 54535.

This policy ensures that Board members, all employees including the Executive Director and those acting on KRC's behalf avoid situations where their personal, professional, or financial interests conflict, could conflict, or appear to conflict with the interests of served individuals and their support system or with the mission of KRC.

Scope:

This policy applies to:

- Board of Director members
- Executive Director
- All KRC employees
- Contractors, consultants and agents and volunteers who perform Decision or Policy-Making functions (as defined below) on behalf of KRC

Definitions:

Conflict-of-Interest – any activity, event, transaction, action or financial interest, professional or personal position or relationship that does or may influence or benefit a Board member, employee or Family Member (as defined below) of a Board member or employee. Additionally, as it relates to members of the KRC Board of Directors, Executive Director or Family Member (as defined below), a conflict-of-interest exists when a member of the KRC Board of Directors, Executive Director or Family Member of such person is any of the following for a Business Entity, Entity, or Provider, unless an exception applies: (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 agent; (10) an employee; (11) a contractor; (12) a consultant; (13) a person who holds any position of management; or (14) a person who has decision or policy making authority.

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Business Entity, Entity or Provider – any individual, business venture, or state or local governmental entity from whom or from which the regional center purchases, obtains or secures good or services to conduct its operations. These entities or providers include, but are not limited to, residential facilities, intermediate care facilities, skilled nursing facilities, support and independent living services, hospitals, medical groups, activity centers, housing providers, entities formed in support of the regional center, infant programs, clinics, laboratories, pharmacies, drug stores, ambulance services, furniture stores, equipment and supply stores, physicians, psychologists, nurses, therapists, teachers, social workers, and contract case managers. For purposes of this Policy, Business Entity, Entity or Provider” does not include an individual served or Family Member of an individual served who receives vouchers for services.

Family Member – includes spouse, domestic partner, parents, stepparents, stepsiblings, children, stepchildren, grandparent, grandchild, parents-in-law, siblings-in-law, son-in-law and daughter-in-law, or any relative living in the same household. This definition should also be considered to include such associations by blood, marriage, adoption, and in *loco parentis* (referring to someone who assumes the duties and responsibilities of a parent to a child without being the biological or legal parent).

Financial Interest – any direct or indirect ownership, employment, partnership, board membership, investment, or compensation relationship with a Business Entity, Entity or Provider that provides services, supports, or goods to served individuals or their support system, or contracts with KRC.

Potential Conflict-of-Interest – 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 this Policy.

Provider/Contractor – any person or entity that provides services or supports to individuals or has a contract, vendorization, or funding relationship with KRC.

Regional Center Employee – any person who performs services for wages, salary or a fee under a contract of employment, with the regional center. For purposes of this policy, a Business Entity, Entity or Provider defined in this Policy is not a regional center employee.

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Decision or Policy-Making Authority – any power to approve, disapprove, recommend, or otherwise influence a decision regarding the purchase of services; negotiation of contracts; hiring or appointment of any employee, member of the Board of Directors, officer, agent, contractor or consultant; or funding decisions.

Policy:

All persons covered by this policy must act solely in the interests of served individuals, their support system and KRC's mission. Personal or financial interests must not interfere with independent judgement, objectivity or loyalty. No person shall make, participate in making or influence any decision of KRC in which they have a conflict-of-interest as defined in this Policy of applicable law.

Obligations of Board of Directors and Employees:

All employees with Decision or Policy-Making Authority and all members of the Board of Directors are required to review Welfare and Institutions Code sections 4626 and 4626.5, and Title 17 California Code of Regulations sections 54500 through 54535 at least annually.

Board of Directors and Executive Director:

Reporting: All candidates for nomination, election, or appointments to KRC Board of Directors, as well as applicants for the position of Executive Director of KRC, must complete a Conflict of Interest Disclosure Statement (Disclosure Statement) and must disclose any real, perceived or potential conflict-of-interest: (1) prior to being appointed, elected or confirmed by KRC or the KRC Board of Directors; (2) within 30 days of being selected, appointed or elected; (3) within 30 days of any change in status that creates a potential or present conflict-of-interest. These status changes include but are not limited to changes in financial interests, legal commitment, outside position or duties, etc.; and (4) by August 1 of each year.

Submission to DDS: The Board shall submit copies of the completed Disclosure Statement for each Board member and Executive Director to the Department of Developmental Services (DDS) within 10 days of receipt of the Disclosure Statements.

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Review: DDS and the Board of Directors shall review the Disclosure Statement of each Board member and the Executive Director to ensure that there is no existing conflict-of-interest. If a present or potential conflict is identified that cannot be eliminated, the Board shall, within 30 days, submit to DDS, local Area Board and to the State Council a copy of the Disclosure Statement and a plan that proposes mitigation measures, including timeframes and actions of the individual and/or Board to be taken to mitigate the conflict.

KRC Employees and Contractors:

Reporting: All KRC employees and contractors must complete the Disclosure Statement: (1) within 30 days from the date of hire; (2) upon any changes in employment status (such as promotion, transfer, etc.); (3) any change that creates a potential or present conflict-of-interest (such as changes in financial interest, legal commitment, outside duties, volunteer duties, etc.); and (4) by August 1 of each year.

Review: The Director of Human Resources will review the Disclosure Statement of each regional center employee within 10 days of receipt of the Disclosure Statement.

Submission to DDS: If, upon review, it is found there is a potential or present conflict-of-interest, a determination will be made by the Human Resources Director on whether: (1) the nature of the conflict requires that it be removed; or (2) the nature of the conflict is able to be mitigated; therefore, requiring submission of a waiver to DDS. This includes submitting a copy of the Disclosure Statement to DDS, together with a Conflict Resolution Plan (Plan) that proposes mitigation measures, including timeframes and actions to be taken by KRC and/or the employee to mitigate the conflict-of-interest.

Transparency and Public Posting:

If a conflict-of-interest cannot be eliminated within 30 days and a Plan has been submitted to DDS, KRC shall post the completed Disclosure Statement on its public website and keep it posted until the conflict is resolved, the Plan is approved, or the individual resigns.

Gifts and Gratuities and Benefits:**Review Date:** 10/28/25**Revision Date:** 10/28/25**Approval Date:** 10/28/25

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No Board member or employee shall solicit or accept gifts, favors, entertainment, travel or other items of value from a service provider, individual served or their Family Member valued over fifteen dollars (\$15.00) per calendar year. Any gift above this threshold must be reported to your director and returned.

Employment of Relatives/Nepotism:

Members of KRC Executive Team are prohibited from hiring relatives at KRC. KRC's Executive Team includes the following: Executive Director, Chief Financial Officer, Director of Community Services, Director of Client Services, Director of Clinical Services, Director of Human Resources, and Chief Equity Officer or the highest-ranking individual in the respective department.

No person can be employed by KRC if a Family Member is also employed by KRC and the KRC employee and Family Member either report to the same supervisor or are in a direct supervisory relationship with each other. This rule applies to any other arrangement that may create a similar real, perceived, or potential conflict-of-interest.

No individual serving on the KRC Board of Directors, and no Family Member of a Director and no employee of DDS can be employed by KRC.

Other Employment:

Employees must disclose and obtain prior written approval for any outside employment or business activity that could conflict or appear in conflict with their KRC duties. Outside activities may not interfere with KRC responsibilities or involve use of confidential information.

Individuals Served:

No individual served by KRC will be assigned to work with an employee who is a Family Member of the individual served. For instance, an individual served will not be assigned to work with a Family Member who is their KRC Service Coordinator.

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Political Activity:

KRC employees and Board members cannot engage in partisan political activities while on agency time or where actually, or apparently, acting in capacity of an employee or representative of KRC. Engagement in partisan activities can cause KRC to risk losing its tax-exempt status and the ability to receive tax-deductible donations. Specifically, individuals in their role as KRC employees and Board members are prohibited from directly or indirectly participating or intervening in any political campaign on behalf of or in opposition to any public office. This includes any verbal or written statements made on behalf of the organization.

Penalties for False Information:

Any individual who violates the provisions of KRC's Conflict-of-Interest Policy will be subject to corrective measures, including disciplinary action up to and including discharge from employment with KRC.

If a KRC Board member, Executive Director, employee, contractor, agent or consultant violates any provision of this Policy and the violation has not been cured within 30 calendar days DDS issues a notice of violation, DDS may take immediate action to begin the process for termination or nonrenewal of the regional center contract.

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