

MENDOCINO COAST HEALTHCARE DISTRICT
POLICY AND PROCEDURE

NUMBER: 1

TITLE: CONFLICT OF INTEREST

Article I: Purpose

Members of the Board of Directors and employees of the Mendocino Coast Healthcare District ("District") are expected to carry out their duties and responsibilities in the best interests of the District and under circumstances where they are free from conflicting loyalties. The purpose of this Code is to protect the integrity of the District and its employees, provide guidelines to employees, and meet the requirement of State law. This code shall be comprised of, and incorporates herein, the Government Code section 1090, et seq., and the Political Reform Act, Government Code §§81000-91015, and other laws in California governing conflicts of interest.

Article II: Application

Except as otherwise provided herein, ~~or in applicable memoranda of understanding,~~ these policies and procedures shall apply to all Board of Directors, employees, or any consultants of the District ("District employee").

Article III: Policy

- (1) It is the policy of the District that full disclosure shall be made of those interests and activities that may bring the District employee into conflict with the mission and purposes of the District. ~~Such disclosure is to be made to avoid the appearance of impropriety on the part of District employees through full disclosure, and to reveal the extent of the economic and business interest of those employees who make significant economic and business decisions on behalf of the District.~~
- (2) District ~~personnel~~ employees shall not engage in any employment, activity, or enterprise for compensation that is inconsistent, incompatible, in conflict with, or hostile to, their duties as a District employee, or with the duties, functions or responsibilities of the District. Full disclosure shall be made in writing to the Chair where those outside activities are, or could appear to be, inconsistent with, incompatible to, or in conflict with their duties to the District.

Commented [LF1]: Too arch and not necessary

Article IV: Guidelines for Activities that May Present a Conflict.

~~It is not practical to list all of the circumstances that could give rise to a conflict of interest or potential conflict of interest.~~ District employees must avoid placing themselves in a position in which personal interest (financial or non-financial) may come into conflict with their duty to the public, ~~as well as avoiding even an appearance of impropriety.~~ This policy requires District employees to use common sense and good judgment for the protection of the District's interests. The following is a non-exhaustive list of the types of activities that may present a conflict and must be disclosed.

- (1) Adverse Interest.

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NUMBER: 1

Participation by a District employee or their Family Member in decisions or negotiations related to a contract, transaction or other matter between the District and:

- (i) the District employee;
- (ii) an entity in which the District employee or a Family Member ~~of such person~~ has financial or business interest; or
- (iii) an entity with which the District employee has an agency relationship.
- (iv) "Family Member" includes a spouse or registered domestic partner, parents, minor or dependent children.

Commented [LF2]: What does this mean?

(2) Competing Interests.

Competition by a District employee, either directly or indirectly, with District in the purchase or sale of property or property rights, interests, or services.

(3) Use of Resources.

Use of the District's resources (for example, staff, contracts, vendor lists, or equipment) for personal purposes of the District employee or a Family Member ~~of such person~~.

(4) Inside Information.

Disclosure or exploitation by a District employee of information pertaining to the District's business for the personal profit or advantage of such person or a Family Member of such person or a person/entity with whom the District employee has an agency relationship.

(5) Outside Enterprises.

A District County employee's outside employment, ~~activity~~ or enterprise may be considered a conflict if:

- (a) It involves the use, for private gain or advantage, of the District time, facilities, equipment, or supplies, ~~or the prestige or influence of their District employment.~~
- (b) ~~It involves the receipt or acceptance by the District employee of any money or other consideration from anyone other than the District for the performance of an act which the employee, if not performing such act, would be required or expected to render in the regular course of their usual District employment or a part of their duties as a District employee.~~
- (c) ~~It involves the performance of an act in other than their capacity as a District employee, which may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other employee of the District.~~
- (d) It involves time demands on the employee involving any outside employment activity or enterprise that would render the performance of their District duties ~~as~~ inefficient.

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POLICY AND PROCEDURE

NUMBER: 1

Article VI: Disclosure of Financial Interests

(1) The Political Reform Act, Government Code §§81000-91015, requires each state and local government agency to adopt and promulgate a Conflict of Interest Code. The Fair Political Practices Commission has adopted a regulation, found in Title 2, California Code of Regulations, §18730, which contains the terms of a standard Conflict of Interest Code. This code can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments of the Political Reform Act. The terms of the standard Conflict of Interest Code in Title 2, California Code of Regulations, §18730 and any amendments to it duly adopted by the Fair Political Practices Commission have been incorporated by reference by Resolution of the Board of Directors of the District, in which members and employees are designated ~~and disclosure categories are set forth, and the place of filing is specified.~~

(2) Designated Positions.

All members of the Board of Directors and all employees of the District are designated positions. Persons holding these positions are deemed to participate in the making of decisions which may foreseeably have a material effect on a financial interest.

(3) Economic Disclosure Statements.

Designated employees shall file statements of economic interest with the District. ~~Upon receipt of the statements of the various designated members and employees, the District shall make and retain a copy.~~ As required by the Fair Political Practices Act (Gov't code 81000), an annual Conflict of Interest Statement Form 700 must be completed by each member of the Board of Directors and filed with the Mendocino County Clerk by April 1.

New: 04/023

Reviewed: ~~08/18~~

Revised: ~~(DATE)~~

Approval Signatures:

Chair, Board of Directors

Date

Secretary, Board of Directors

Date

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