



BOARD APPROVED: June 28, 2011

EFFECTIVE DATE: July 1, 2011

South Central Los Angeles Regional Center CONFLICT OF INTEREST POLICY

BACKGROUND

South Central Los Angeles Regional Center (SCLARC) establishes this policy because it recognizes that accountability and transparency are necessary to ensure the agency's board members and staff report any and all potential or existing conflicts of interests that might impact SCLARC.

POLICY

SCLARC's Board of Directors and its employees, including the Executive Director, shall avoid any conflict of interest between their respective personal, professional, business interests and the interest of SCLARC in any and all actions taken by them on behalf of SCLARC. A conflict of interest is defined as any activity, event, transaction or action that may influence or benefit a Board member, employee or family member of a Board member or employee.

Definitions

1. **Interested person** -- Any director, principal officer, member of the governing board or employee of SCLARC

2. **Financial interest** -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

a. An ownership or investment interest in any SCLARC operations or purchase of service vendor; or

b. A compensation agreement with SCLARC or with any entity or individual with which SCLARC has a transaction or arrangement.

Compensation includes direct and indirect remuneration, including gifts or favors. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or Executive Director decides that a conflict of interest exists, in accordance with this policy.

3. **Family** – Mother, father, sibling (s), spouse, child, or in-laws.

PROCEDURES

1. **Duty to Disclose** – Board Members and all regional center employees must, upon hire and annually by August 1st of each year or with any change in status, complete a conflict of interest statement. Candidates for the Board of Directors, applicants for regional center executive director and potential employees must complete a conflict of interest statement prior to being appointed, elected or hired. In connection with an actual or possible conflict of interest, an interested person must disclose the existence of the financial interest or other benefit and be given the opportunity to disclose all material facts to the Board or Executive Director.

2. **Recusal of Self** – Any Board Member, or employee, may recuse himself or herself at any time from involvement in any decision or discussion in which the Board Member believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. **Determining Whether a Conflict of Interest Exists** – After disclosure of the financial interest or other potential conflict of interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists. The Executive Director shall determine if a conflict of interest exists for any regional center staff member.

4. Violations of the Conflict of Interest Policy

a. If the Board or Executive Director has reasonable cause to believe a Board Member or employee has failed to disclose actual or possible conflicts of interest, the Board or Executive Director shall inform the Board Member or employee of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the Board member or employee's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the Board Member or Employee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action up to and including removal from the board or termination of employment.

c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from SCLARC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

5. Annual Conflict of Interest Statements--Each Board Member and all employees shall annually sign a statement which affirms such person:

- Has received a copy of the conflict of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and disclose any actual or potential conflict of interest and
- Understands SCLARC is a non-profit organization and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- If at any time during the year, the information in the annual statement changes materially, the Board Member or Employee shall disclose such changes and revise the annual conflict of interest form.

6. Regular Review – The Executive Committee and the Executive Director shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.