



BOARD APPROVED: Approved

EFFECTIVE DATE: July 22, 2025

South Central Los Angeles Regional Center CONFLICT OF INTEREST POLICY

BACKGROUND

The South Central Los Angeles Regional Center (SCLARC) has established this policy in recognition of the importance of accountability and transparency. These principles are essential to ensuring that all board members and staff disclose any potential or actual conflicts of interest that could affect the integrity or operations of the agency.

PURPOSE

This policy is established to ensure that all SCLARC employees, contractors, consultants, governing board members, and Executive Directors perform their duties with the highest standards of integrity and impartiality. It is intended to prevent actual or perceived conflicts of interest between personal interests and official responsibilities. SCLARC is committed to full compliance with all applicable conflict of interest laws and regulations, thereby ensuring that all decisions are made solely in the best interests of the individuals and families we serve.

PREPARED BY

The Office of Human Resources has developed this Conflict of Interest Policy in accordance with the California Code of Regulations, Title 17, Sections 54500 through 54530, and the Welfare and Institutions Code Sections 4622, 4626, and 4627. This policy has been established to ensure that SCLARC employees and board members consistently act in the best interests of the individuals and families served by SCLARC, upholding the highest standards of ethical conduct and decision-making.

SCOPE

This policy applies to all individuals associated with the organization, including employees, contractors, consultants, governing board members, and Executive Directors.

DEFINITIONS

- **Conflict of Interest:** A circumstance in which a personal, business, or financial interest has the potential to compromise, or appear to compromise, the impartiality, objectivity, or integrity of an individual in the performance of their official duties.
- **Actual or Present Conflict of Interest:** An existing conflict of interest.
- **Potential Conflict of Interest:** A situation that, based on reasonably foreseeable circumstances, could lead to a conflict of interest in the future.
- **Financial Interest:** Any interest, regardless of monetary value, that involves the pursuit of financial gain or the avoidance of financial loss. This interest may be direct or indirect and includes actual or potential monetary or proprietary benefits. It encompasses any form of financial advantage or the expectation thereof. A conflict of interest may exist even in the absence of certainty regarding the financial benefit.
- **Direct Financial Interest:** A situation in which an individual, in their official capacity, engages in business or financial transactions with themselves in their private capacity, thereby creating a direct conflict between personal and professional interests.
- **Indirect Financial Interest:** A situation in which an employee, acting in their official capacity, enters into a contract or arrangement with an individual or entity that, due to a personal, familial, or business relationship with the employee, is in a position to provide actual or potential financial benefit to the employee as a result of that contract.

STANDARDS AND PROCEDURES

1. Positions Creating Conflicts

A conflict of interest exists under the following circumstances:

- a. When an employee, board member, director, officer, owner, partner, shareholder, or trustee of any organization is either conducting business with, or actively planning to conduct business with, SCLARC.
- b. When a regional center governing board member, Executive Director, or their family member holds a position with a business entity or provider, as defined in Section 54505, except as permitted by Welfare and Institutions Code Sections 4622 and 4626.
- c. When a regional center employee, contractor, agent, consultant, or their family member holds a position with a business entity or provider, as defined in Section 54505, that could reasonably present a conflict with their responsibilities to the regional center.
- d. When an employee holds any management or decision-making role in a business entity or provider that is currently doing, or planning to do, business with SCLARC.
- e. **Financial Interests in Decisions:** Individuals must not participate in any decision-making process where they have a financial interest that may be affected by the outcome.
- f. **Financial Interests in Contracts:** Individuals are strictly prohibited from participating in or influencing the execution of any contract in which they have a financial interest.

2. General Prohibition

- a.** Individuals must refrain from engaging in any activities that present a conflict of interest with their official duties and responsibilities.
- b.** Individuals are prohibited from participating in the evaluation of any application for employment or a bid for a position or contract at the Regional Center if the applicant or bidder is a family member of the individual.
- c.** A conflict of interest arises when a Regional Center employee fails to devote their full time, attention, and effort to their Regional Center duties during the hours for which they are compensated.
- d.** A conflict of interest exists when a Regional Center employee provides services for salary, honorarium, or any form of compensation during the hours they are already compensated to work for the Regional Center. This does not apply to employees who are officially off duty unless the off-duty activities fall under circumstances described as a conflict in this policy.
- e.** A conflict of interest exists when a Regional Center employee accepts a gift or gifts from a service provider, consumer, or consumer's family member with a total value exceeding fifteen dollars (\$15) per calendar year.

3. Employment of Family Members

- a.** A conflict of interest exists when senior staff at the regional center hire relatives at the center or any ancillary foundation or organization. Senior staff are identified as people in key positions that drive the strategic decision-making at each regional center. These key positions include: Executive Director, Associate Executive Director or comparable positions, if applicable. Members of the regional center's executive teams; the highest ranking staff position in each of the following disciplines:
 - i.** Case Management
 - ii.** Clinical Services
 - iii.** Community Services
 - iv.** Finance
 - v.** Human Resources
- b.** No employee can participate in reviewing an application for Regional Center employment from a family member.
- c.** 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. Family members are identified as the employee's spouse, domestic partner, siblings, stepsiblings, parents, stepparents, children, stepchildren, parents-in-law, sisters-in-law, brothers-in-law, daughters-in-law, sons-in-law, grandchildren, and grandparents.

4. Disclosure Requirements

- a. Reporting Statements** – Governing board members and executive directors are required to file Conflict of Interest Reporting Statements within the specified timelines, in compliance with Section 54532.
- b. Conflict Resolution Plan**– If a present or potential conflict is identified, a Conflict Resolution Plan must be submitted as detailed in Section 54533.

ENFORCEMENT AND SANCTIONS

- Failure to comply with this policy may result in disciplinary actions, including termination of employment or contracts, as outlined in Section S4535.
- Candidates for nomination, election, or appointment to a regional center board and applicants for the regional center director are required to disclose any potential or present conflicts of interest prior to being appointed, elected or confirmed for hire by the regional center or the regional center governing board.
- Employees are 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, no later than August 1 of each year.
- Each employee is required to report any actual and/or potential conflict of interest that arise after the initial filing to the Human Resources Department.

COMPLIANCE AND TRAINING

- All individuals subject to this policy must undergo regular training to understand and adhere to conflict of interest laws and organizational standards.
- The regional center and its governing board are required to regularly and consistently monitor and enforce compliance with its conflict-of-interest policy.

REVIEW AND AMENDMENTS

This policy will be reviewed annually and updated as necessary to ensure compliance with applicable laws and regulations.

CONTACT INFORMATION

For questions or further information regarding this policy, please contact SCLARC's Human Resources Department. By adhering to this policy, we commit to maintaining the trust and confidence of the public and stakeholders we serve.