

**Conflict of Interest Policy**  
Redwood Coast Developmental Services Corporation (RCDSC) and  
Redwood Coast Regional Center (RCRC)

I. Introduction

This policy statement is intended to ensure that Redwood Coast Regional Center (RCRC) governing board members and employees, in the course of their duties, act solely in the best interests of persons receiving services and their families without regard to the interests of any other organization with which they are associated or persons to whom they are related. RCDSC board members, RCRC employees, and others acting on the regional center's behalf must be free from conflicts of interest that could adversely influence their judgment, objectivity, or loyalty to RCRC, its consumers, or its mission.

II. Definition of Conflicts of Interest

a. Governing Board

A conflict of interest exists for any member of the RCDSC governing board, or member of the program policy committee of the RCDSC governing board, if the RCDSC governing board member or program policy committee member is:

1. An employee of the State Department of Developmental Services or any state or local agency that provides services to a regional center consumer, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.
2. An employee or a member of the State Council or Area Board.
3. Except as otherwise provided in the Lanterman Act (when a member of the RCDSC governing board or program policy committee member is a member of an advisory committee composed of persons with developmental disabilities representing the various categories of disability served by the regional center), an employee or member of a governing board of any entity from which RCRC purchases consumer services.
4. Any person who has a financial interest, as defined in Section 87103 of the Government Code, in RCRC operations, except as a consumer of regional center services. A financial interest exists if it is reasonably foreseeable that the member's interest, or the member's decision regarding that interest, will have a material financial effect, on the RCDSC board member's interest in, or relationship with, the business entity or provider pursuant to Government Code, Section 87103. The financial effect is material if the decision will result in a benefit, detriment, gain, loss or profit to the member, entity, or provider.

The RCDSC governing board shall not enter or authorize the regional center to enter into any contract or any other type of agreement for pecuniary gain with any entity or provider that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center, in which a

member has a conflict of interest as set forth above, nor shall the board or board member allow the regional center to refer a client or prospective client to such an entity or provider.

A conflict of interest exists when a member of the RCDSC governing board or a family member of such person is a director, officer, owner, partner, shareholder, trustee or employee of any business entity or provider that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center; holds any position of management in any business entity or provider that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center; sets purchase of service priorities, transfers funds to the purchase of services budget, or establishes policies and procedures with respect to payment for services, except to the extent permitted under II (3) above.

A conflict of interest exists when the advisory committee board member, appointed pursuant to II (3) above, is an employee or member of the governing board of a provider from which RCRC purchases client services. Such member is prohibited from serving as an officer of the RCDSC governing board, from voting on any fiscal matter affecting the purchase of services from any regional center provider, and from voting on any issue in which the member has a financial interest as defined in Government Code Section 87103 and determined by the RCDSC board. The member in this case shall provide a list of his or her financial interests to the RCDSC board.

No RCDSC governing board member who has a conflict of interest shall continue to serve as a board member in violation of these provisions unless the board member has eliminated the conflict of interest or obtained a waiver according to Title 17 (Section 54523), California Code of Regulations.

b. Regional Center Employees

A conflict of interest exists for a Redwood Coast Regional Center employee if the RCRC employee or a family member of such person is a governing board member, director, officer, owner, partner, shareholder, trustee, or employee of any business entity or provider that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center; or has decision or policy-making authority in such an entity or provider that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center; or makes a decision regarding regional center operations involving a business entity or provider that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center; in which he or she has a financial interest.

For the purposes of this policy, an RCRC employee has a financial interest in the regional center operations if it is reasonably foreseeable that the employee's interest or the employee's decision regarding that interest will have a material financial effect, as distinguished from its effect on the regional center clients and/or their families generally, on:

1. Any business entity or provider in which the employee has a direct or indirect investment worth more than one thousand dollars (\$1000).
2. Any real property in which the employee has a direct or indirect interest worth more than one thousand dollars (\$1000).
3. Any source of income, other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to employee status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the employee within 12 months prior to the time when the decision is made.

For the purposes of this policy, "indirect investment" or "interest" means any investment or interest owned by the spouse or dependent child of an RCRC employee, by an agent on behalf of an RCRC employee, or by a business entity or provider or trust in which the RCRC employee, the employee's agent, spouse, or dependent children own directly, indirectly, or beneficially a ten percent interest or greater.

The financial effect is material if it will result in a benefit, detriment, gain, loss, or profit to the employee, entity, or provider.

A conflict of interest also exists for an RCRC employee when:

1. An RCRC employee devotes less than his or her full-time attention and effort to his or her regional center employment for that period for which he or she is being reimbursed.
2. An RCRC employee provides services for salary, honorarium, or compensation of any kind in such fashion that the employee is receiving dual compensation for the same period of time. This does not apply to RCRC employees while officially off duty.
3. An RCRC employee participates in the evaluation of an application for employment at RCRC when the applicant is a member of the employee's family, or when an employee acts as a supervisor of another RCRC employee who is a member of the supervisor's family. Supervisors include those individuals who serve as reviewing officers for reports of performance. Family members include: spouse, children, stepchildren, parents, stepparents, brothers, sisters, grandchildren, grandparents, or inlaws.

No RCRC employee shall continue employment with the regional center where the employee has a conflict of interest in violation of these provisions, unless the employee eliminates the conflict of interest or obtains a waiver according to Title 17 (Section 54523), California Code of Regulations.

### III. RCDSC Governing Board and RCRC Employee Positions for which Filing of Conflict of Interest Statements is Required

Conflict-of-interest statements must, at a minimum, be filed by all RCDSC governing board members and the following RCRC employees:

1. The executive director.
2. Every administrator.
3. Every program director.
4. Every employee who has decision making or policymaking authority or authority to obligate the regional center's resources.

Every new RCRC employee referenced in III (2-4) above and every current RCRC employee referenced in III (2-4) above accepting a new position within the regional center shall complete and file the conflict-of-interest statement provided by the Department of Developmental Services with Redwood Coast Regional Center within 30 days of assuming his or her position.

Every RCDSC board member and RCRC employee referenced in III above shall complete and file a subsequent conflict-of-interest statement by August 1 of each year.

Every RCDSC board member and RCRC employee referenced in III above shall complete and file a subsequent conflict-of-interest statement upon any change in status that creates a potential or present conflict of interest. A change in status includes, but is not limited to, a change in financial interests, legal commitment, regional center or board position or duties, or both, or outside position or duties, or both, whether compensated or not.

Every candidate for nomination, election, or appointment to the RCDSC governing board, and every applicant for the position of RCRC director is required to disclose any potential or present conflicts of interest prior to being appointed, elected, or confirmed for hire by RCRC or the RCDSC governing board.

The RCDSC governing board is required to submit a copy of the completed conflict-of-interest statements of the governing board members and the RCRC executive director to the department within ten (10) days of receipt of the statements.

All conflict of interest statements referenced in this policy are required to be signed under penalty of perjury.

### IV. Board and Staff Training on Conflict of Interest Disclosure

The RCDSC governing board will arrange for training on the requirements of this policy, applicable law, and regulations no later than September 30, 2011, and at least once per year following the initial training.

RCRC will arrange for training for all employees referenced in III (2-4) above no later than September 30, 2011, and at least once per year following the initial training.

V. Conflict of Interest Disclosure Requirements for Candidates for RCDSC Board of Directors

Every new RCDSC governing board member is required to complete and file the conflict-of-interest statement provided by the Department of Developmental Services with the RCDSC governing board within 30 days of being selected, appointed, or elected.

VI. Conflict of Interest Disclosure Requirements for Applicants for Position of Executive Director of Redwood Coast Regional Center

Every new RCRC executive director is required to complete and file the conflict-of-interest statement provided by the Department of Developmental Services with his or her respective governing board within 30 days of being selected, appointed, or elected.

VII. Monitoring Requirements for Redwood Coast Regional Center and RCDSC Governing Board

Redwood Coast Regional Center and its governing board are required to regularly and consistently monitor and enforce compliance with this conflict of interest policy. RCRC will monitor compliance with this policy, applicable law and regulation on an ongoing basis and compile information every six months including, but not limited to, the number of RCRC employees or applicants for employment who have met any of the requirements stated in this policy for submission of conflict-of-interest statements, the number of conflict-of-interest statements submitted, the number of any of the aforementioned submitted conflict-of-interest statements that were not submitted within required timelines, if any, and the number of plans for mitigation of conflicts, if any, that have been submitted to the Department of Developmental Services, the State Council, and Area Board I. This information will be provided to the RCDSC Board every six months for review.

The RCDSC governing board will monitor the submission of conflict-of-interest statements by members of the RCDSC governing board, the RCRC executive director, candidates for nomination, election or appointment to the RCDSC board, and applicants for the position of RCRC executive director on an ongoing basis, as well as during the Annual Board meeting in July of each year.

The RCRC director is required to review the conflict-of-interest statement of each RCRC employee referenced in III (2-4) above within ten (10) days of receipt of the statement. If a potential or present conflict of interest is identified for an RCRC employee that cannot be eliminated, the regional center shall, within 30 days of receipt of the statement, submit to the Department of Developmental Services, the State Council, and Area Board I, a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and action RCRC or the employee, or both, will take to mitigate the conflict of interest.

The Department of Developmental Services and the RCDSC governing board are required to review the conflict-of-interest statement of the RCRC executive director and each RCDSC board member to ensure that no conflict of interest exists. If a present or potential conflict of interest is identified for the RCRC director or an RCDSC board member that

cannot be eliminated, the RCDSC governing board is required, within 30 days of receipt of the statement, to submit to the Department, the State Council, and Area Board I, a copy of the conflict-of-interest statement and a plan the proposes mitigation measures, including timeframes and actions the RCDSC governing board or the individual, or both, will take to mitigate the conflict of interest.