

 MORONGO BASIN HEALTHCARE DISTRICT	DEPARTMENT / MANUAL: LEADERSHIP
ORIGINAL DATE: September 2004	REVIEW & REVISION DATES: 9/04, 6/08, 8/12, 6/13, 12/15, 9/16, 9/18, 8/20, 1/22, 3/22
TITLE: Conflict of Interest	APPROVED BY: Admin: <u><i>L. Schall</i></u> Date: <u><i>5/5/2022</i></u> CEO: <u><i>L. Schall</i></u> Date: <u><i>5/5/2022</i></u> Governing Board: <u><i>Misty Dawn Cruz</i></u> Date: <u><i>5/5/22</i></u>

PURPOSE:

The Political Reform Act of 1974 (Gov. Code, §81000 et seq.) requires each state and local government agency to adopt and promulgate a conflict-of-interest code. The Morongo Basin Healthcare District (MBHD) has adopted such a code that should be revised and updated. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs., §18730), which contains the terms of a standard conflict of interest code that can be incorporated by reference as a district code. After public notice and hearing, the regulation may be amended by the FPPC to conform to amendments in the Political Reform Act.

Additionally, the Health Services and Resource Administration (HRSA), requires that all agents (an agent of the health center includes, but is not limited to, a governing board member, an employee, officer, or contractor and business associates acting on behalf of the health center) sign a Conflict-of-Interest statement annually, governing the actions of any agent engaged in the selection, award, or administration of contracts that comply with all applicable Federal requirements.

POLICY:

1. Adoption of Standard Code of FPPC – The terms of Title 2, California Code of Regulations, section §18730 and any future amendments to it duly adopted by the FPPC are hereby incorporated by reference. This regulation and the Appendix attached hereto designating officials and employees and establishing disclosure categories shall constitute the Conflict-of-Interest Code of MBHD. This Conflict-of-Interest Code shall take effect when approved by the MBHD Board of Directors and shall thereupon supersede all prior codes adopted by MBHD.

Filing of Statements of Economic Interests – Pursuant to the standard conflict of interest code, designated employees set forth in the procedure shall file statements of economic interests with the Board Clerk of MBHD annually. Upon receipt of the statements of the members of the Board of Directors and the Chief Executive Officer, the Board Clerk shall make and retain copies and forward the originals of these statements to the Clerk of the San Bernardino County Board of Supervisors. Statements for all other designated employees shall be retained by MBHD.

2. Conflict of Interest Statement (HRSA) definition – A conflict of interest arises when the agent, any member of their immediate family, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. See: 45 CFR 75.327(c)1.

All providers, employees, and board members (both the Board of Directors and the Health Center Governing Board) will sign the HRSA Conflict of Interest form each year associated with the healthcare District.

PROCEDURE:

1. Officials Who Manage Public Investments – District officials who manage public investments as defined by 2 Cal. Code of Regs., §18701(b), are NOT subject to the District's Conflict of Interest Code (IRS form 700) but are subject to the disclosure requirements of the Act (Governance Code, §87200 et seq.) [2 Cal. Code of Regs., §18730(b)(3)]. These positions are listed here for informational purposes only. It has been determined that the positions listed below are officials who manage public investments:

- a. Members of the Board of Directors----- 1
- b. Chief Executive Officer----- 1
- c. Chief Financial Officer ----- 1
- d. Designated Positions Governed by the Conflict of Interest:
 - Director of Business Development----- 4
 - General Counsel-----1, 2
 - Foundation President and Board Members----- 4

2. Disclosure Categories – The disclosure categories listed below identify the types of investments, business entities, sources of income, or real property which the Designated Employee must disclose for each disclosure category to which he or she is assigned.

- Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, that are located in, do business in, or own real property within the jurisdiction of the District.
- Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District.
- Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, that provide services, products, materials, machinery, vehicles, or equipment of a type utilized by the District.
- Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, that provide services, products, materials, machinery, vehicles, or equipment of a type purchased or leased by the Designated Position's department, unit, or division.

3. The health center has and implements written standards of conduct that apply, at a minimum, to its procurements paid for in whole or in part by the Federal award. Such standards:

- Apply to all health center agents involved in the selection, award, or administration of such contracts;
- Require written disclosure of real or apparent conflicts of interest;
- Prohibit individuals with real or apparent conflicts of interest with a given contract from participating in the selection, award, or administration of such contract;

- Restrict health center agents involved in the selection, award, or administration of contracts from soliciting or accepting gratuities, favors, or anything of monetary value for private financial gain from such contractors or parties to sub-agreements (including subrecipients or affiliate organizations); and
- Enforce disciplinary actions on health center agents for violating these standards.
- Immediate family is defined as spouse, domestic partner, or known partner if unmarried, parents, siblings, children (in loco parentis), grandparents, in-laws or individuals living in the household, related to any agent where the relationship could result in real or apparent financial gain.

REFERENCES:

- Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations §18730 (PDF)

ATTACHMENTS:

- Conflict of Interest form