

 <p style="text-align: center;">County of Sacramento Department of Health and Human Services Division of Primary Health Services Policy and Procedure</p>	Policy Issuer (Unit/Program)	Clinic Services
	Policy Number	01-03
	Effective Date	01-31-13
	Revision Date	09-12-16
Title: Sacramento County Health Center Co-Applicant Board – Conflict of Interest		Functional Area: Organization
Approved By: Nancy Gilberti, Division Manager		

Policy

Conflicts of interest involving the Sacramento County Health Center Co-Applicant Board (Co-Applicant Board) must be identified when the Co-Applicant Board is considering entering into a transaction, arrangement or other work that might benefit the private interest of a Board member. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest that are applicable to nonprofit and charitable organizations.

Definitions:

A. Conflict of Interest

1. A conflict of interest arises when a person on the Co-Applicant Board may benefit personally from a decision s/he could make as a Board member.

B. Interested Person

1. Any Co-Applicant Board member with delegated powers who has a direct or indirect financial interest in the outcome of the transaction or arrangement is an interested person.

C. Financial Interest

1. A person has a financial interest if s/he, directly or indirectly through business, investment or family has:
 - a. An ownership or investment interest in any entity with which the Co-Applicant Board has a transaction or arrangement.
 - b. A compensation arrangement with any entity or individual with which the Co-Applicant Board has a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial, such as:
 - i. Consultancy – any consultancy, directorship, position, or work, which attracts regular or occasional payments in cash or in kind.
 - ii. Fee-Paid Work – any work commissioned for which the member is paid in cash or in kind.
 - iii. Shareholdings – any shareholding in or other beneficial interest in shares. (This does not include shareholdings through unit trusts or similar arrangements where the member has no influence on financial management.)
 - c. 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 Co-Applicant Board or appropriate committee decides that a conflict of interest exists.

Procedures

A. Distribution of Policy and Procedures

1. The County staff facilitator presents this policy on an annual basis for review and discussion, and a Disclosure and each officer, director, and Co-Applicant Board member completes Attestation Statement. The County staff facilitator reviews this policy with all new committee members. New members are required to complete the Disclosure and Attestation Statement upon undertaking membership or attendance with the Co-Applicant Board.

B. Duty to Disclose

1. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or committee members considering the proposed transaction or arrangement.

C. Determining the Existence of a Conflict of Interest

1. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, s/he shall leave the Board or committee meeting. The remaining Board or committee members shall discuss and determine if a conflict of interest exists. This procedure and the group's determination are noted in the meeting's minutes.

D. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the Board or committee meeting. The interested person must leave the meeting during the discussion and vote regarding the transaction or arrangement involving the possible conflict of interest.
2. After exercising due diligence, the Board, or committee shall determine whether the Co-Applicant Board can obtain, with reasonable effort, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
3. If a more advantageous transaction or arrangement avoiding a conflict of interest is not reasonably possible, the Board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the best interest of the Co-Applicant Board, whether it is fair, reasonable, and beneficial to the Co-Applicant Board, and if the Co-Applicant Board should enter into the specified transaction or arrangement.

E. Violations of the Conflict of Interest Policy

1. If the Co-Applicant Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, the member shall be informed of the basis for such belief and afforded an opportunity to explain the alleged failure to disclose.
2. If the Co-Applicant Board determines that the member has failed to disclose an actual or possible conflict of interest after hearing the member's response and completing further investigation as warranted by the circumstances, appropriate disciplinary and corrective action shall be taken, up to and including possible dismissal from the Co-Applicant Board .

Attachments:

[Disclosure and Attestation Statement](#)

References:

N/A

Contact:

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