

POLICY & PROCEDURE

Name: **Conflict of Interest**

Origination Date: 05/19/10

Department: **COMPLIANCE**

Revised Date: 10/12/12

APPLICABILITY AND PURPOSE

This Conflict of Interest Policy and Procedure applies to all board members, committee members, officers, and employees of the Health Care District of Palm Beach County ("District") and its affiliated entities including Lakeside Medical Center, Edward J. Healey Center, School Health, Pharmacy, Aeromedical, Trauma, and Managed Care. The purpose is to ensure that all organizational decisions are made solely to promote the best interests of the District, its patients, members and residents without favor or preference based upon prohibited personal considerations.

DEFINITIONS

Conflict of Interest – a situation where regard for a Covered Person's private interest tends to lead to disregard of a public duty or interest. A "conflict of interest" occurs when Covered Persons solicit or accept gifts, do business with the District and/or engage in prohibited employment or business relationships, accept unauthorized compensation, misuse their position, disclose or use certain information, solicit or accept honoraria, or engage in lobbying the District within two years of separation of employment in violation of this policy, all of which are more fully described below.

Contract – means and includes any type of written agreement. This includes but is not limited to memorandums of understanding, memorandums of agreement, letters of agreement, written vendor quotes (with terms and conditions), leases, interlocal agreements, grants, purchase orders, and addendums or amendments to the foregoing.

Covered Person – a District board member, committee member, officer or employee.

District – the Health Care District of Palm Beach County and its affiliated entities including, but not limited to, Lakeside Medical Center, Edward J. Healey Center, School Health, Pharmacy, Aeromedical, Trauma, and Managed Care.

Domestic Partner – an adult, unrelated by blood, with whom an unmarried or separated Covered Person has an exclusive committed relationship and maintains a mutual residence as evidenced by registration with the Clerk of Court of Palm Beach County, or the county in which the Covered Person and Domestic Partner reside.

Exempt Employee – an employee employed in bona fide executive, administrative, professional, computer or outside sales position and is not subject to the minimum wage and overtime provisions of laws governing the payment of wages. To qualify for the exemption employees must meet certain tests regarding their job duties

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and be paid on a salary basis. Job titles do not determine exempt status. Additional information can be found in the District's Exempt Employee Pay Policy. Questions about your status as an exempt employee should be directed to Human Resources.

Family Member – parent, spouse, domestic partner, child, or sibling of the Covered Person. This includes biological, adoptive or step relationships.

Gift – something which is paid or given by a person or entity to a Covered Person, or to another person for or on behalf of the Covered Person, directly, indirectly, or in trust for the Covered Person's benefit or by any other means, where the Covered Person does not, in exchange, give something of equal or greater value to that person or entity within 90 days, including:

- real property
- the use of real property
- tangible or intangible personal property or the use of such property
- a preferential rate or terms on a debt, loan, goods, or services, which rate is below the customary rate and is not either a government rate available to all other similarly situated government employees or a rate which is available to similarly situated members of the public by virtue of occupation, affiliation, age, religion, sex, or national origin
- forgiveness of an indebtedness
- transportation, other than that provided to a public employee by an agency in relation to officially approved governmental business, lodging, or parking
- food or beverage
- membership dues
- entrance fees, admission fees, or tickets to events, performances, or facilities
- plants, flowers, or floral arrangements
- services provided by persons pursuant to a professional license or certificate
- other personal services for which a fee is normally charged by the person providing the service
- any other similar service or thing having an attributable value not already provided for above

A "gift" does not include the following items:

- Salary, benefits, services, fees, commissions, or expenses associated with the Covered Person's employment, business, or service as an officer or director of a corporation or organization.
- Campaign contributions or expenditures reported pursuant to statute, campaign-related personal services provided without compensation by individuals volunteering their time, or any other

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contribution or expenditure by a political party.

- An honorarium or an expense related to an honorarium event, unrelated to their public duties, paid to a Covered Person or the Covered Person's spouse.
- An award, plaque, certificate, or similar personalized item given in recognition of the Covered Person's public, civic, charitable, or professional service.
- An honorary membership in a service or fraternal organization presented merely as a courtesy by such organization.
- The use of a public facility or public property made available by a governmental agency, for a public purpose.
- Transportation provided to a Covered Person by an agency in relation to officially approved governmental business.
- Gifts provided directly or indirectly by a state, regional, or national organization which promotes the exchange of ideas between, or the professional development of, government officials or employees, and whose membership is primarily composed of elected or appointed public officials or staff, to members of that organization or officials or staff of a governmental agency that is a member of that organization.

Lobbyist – a person who, for compensation, seeks or sought to influence the governmental decision making of the District Board, Chief Executive Officer or purchasing agent, or who encouraged the passage, defeat, or modification of any proposal or recommendation by the Chief Executive Officer, purchasing agent, or the District Board, within the past 12 months.

Non-Exempt Employee – an employee, generally paid on an hourly basis, who is subject to the minimum wage and overtime provisions of the laws governing payment of wages. Additional information can be found in the District's Non-Exempt Employee Pay Policy. Questions about your status as a non-exempt employee should be directed to Human Resources.

Outside Employment – an employment or contractual relationship between a Covered Person and a person or entity other than the District whereby the Covered Person provides services in exchange for compensation.

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PROHIBITED CONFLICTS OF INTEREST:

All Covered Persons are prohibited from engaging in conduct that creates a conflict of interest.

Solicitation or Acceptance of Gifts

Covered Persons are prohibited from ***soliciting or accepting*** anything of value, including gifts, loans, rewards, promises of future employment, favors or services that are based on any understanding that their vote, official action or judgment would be influenced by such a gift.

The District Board members, Chief Executive Officer, and any purchasing agent with authority to make any purchase in excess of \$20,000 on behalf of the District, is prohibited from ***soliciting*** any gift from a political committee, a certified committee of continuous existence (as defined by Fla. Stat. 106.011), or from a Lobbyist, where the gift is for the personal benefit of the District Board member, Chief Executive Officer, the purchasing agent, or any of their Family Members.

District Board members, the Chief Executive Officer, and any purchasing agent with authority to make any purchase in excess of \$20,000 on behalf of the District, or any person on his or her behalf, is prohibited from ***knowingly accepting***, directly or indirectly, a gift from a political committee, certified committee of continuous existence (as defined in Fla. Stat. 106.011), or from a Lobbyist, if he/she knows or reasonably believes that the gift has a value in excess of \$100.00. However, such a gift may be accepted by the Chief Executive Officer on behalf of the District or a charitable organization so long as the Chief Executive Officer does not maintain custody of the gift for any period of time beyond that reasonably necessary to arrange for the transfer of custody and ownership of the gift. The value of the gift is generally determined using the actual cost to the donor, less taxes and gratuities, or the reasonable and customary charge for personal services provided by the donor directly. Compensation provided by the Chief Executive Officer to the donor within 90 days after receipt of the gift is deducted from the value.

Doing Business with the District and Prohibited Employment and Business Relationships

Covered Persons are prohibited from having an employment or contractual relationship with any business entity or agency which is subject to the regulation of the District or that is doing business with the District. Furthermore, Covered Persons are prohibited from having an employment or contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties. However, where the regulatory power over the business entity resides in another agency and not the District, the employment or contractual relationship is not a conflict of interest. Additionally, where the Covered Person is not personally performing services for the District through the outside employment or business relationship of the other entity,

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such outside employment may be approved depending on the facts and circumstances of each situation presented.

Covered Persons acting in their official capacity as a purchasing agent, with authority to commit the expenditure of public funds through a contract for, or the purchase of, any goods, services, or interest in real property for the District (as opposed to the authority to request or requisition a contract or purchase by another person) are prohibited from either directly or indirectly purchasing, renting, or leasing any realty, goods, or services for the District from any business entity of which the Covered Person, or the Covered Person's spouse or child is an officer, partner, director, or proprietor or in which the Covered Person or his or her spouse or child, or any combination of them, has a material interest. A material interest means direct or indirect ownership of more than 5 percent of the total assets or capital stock of any business entity; however, indirect ownership does not include ownership by a spouse or minor child.

Covered Persons are prohibited from acting in a private capacity to rent, lease, or sell any realty, goods, or services to the District unless the contract for the transaction was entered into prior to the Covered Person's first date of employment, or first date of appointment, at the District. However, no violation of this policy exists where:

- The Covered Person's Outside Employer or Business is awarded the contract under a system of sealed, competitive bidding to the lowest or best bidder and:
 - the Covered Person or his/her spouse or child have not participated in the determination of bid specifications or the determination of the lowest or best bidder in any way;
 - the Covered Person or his/her spouse or child have not in any way used or attempted to use the Covered Person's influence to persuade the District or its board members, officers or employees to enter into the contract other than by the mere submission of the bid; and
 - the Covered Person, prior to or at the time of the submission of the bid, has filed a statement with the Palm Beach County Supervisor of Elections disclosing the nature of the Covered Person or his/her spouse or child's interest in the Outside Employer or Business and the nature of the intended business.
- The purchase or sale contemplated is for legal advertising in a newspaper, for any utilities service, or for passage on a common carrier.
- An emergency purchase or contract that must be made in order to protect the health, safety, or welfare of the citizens of Palm Beach County;
- The Outside Employer or Business is the only source of supply within Palm Beach County and there is full disclosure by the Covered Person of his/her interest in the Outside Employer or Business to the District Board prior to the purchase, rental, sale, leasing, or other business being transacted.
- The total amount of the contracts or transactions in the aggregate between the Outside Employer or Business and the District does not exceed \$500.00 per calendar year.
- The Covered Person purchases in a private capacity goods or services at a price and terms available to similarly situated members of the general public.

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A Covered Person who seeks secondary employment with an Outside Employer or Business that maintains a contract with the District may be approved depending on consideration the following factors, which include but are not limited to:

- The Covered Person and his/her Family Members do not work in the District department that will enforce, oversee or administer the subject contract;
- The Outside Employment does not interfere with or otherwise impair the Covered Person's independence of judgment or otherwise interfere with the full and faithful performance of his or her public duties to the District;
- The Covered Person or his/her Family Members have not participated in determining the contract requirements or awarding the contract;
- The Covered Person's job responsibilities will not require him/her to be involved in the Outside Employer's contract with the District in any way including, but not limited to, its enforcement oversight, administration, amendment, extension, termination, or forbearance;
- The Covered Person will not use District Property or other resources in conducting the activities;
- The Covered Person's performance of District functions will not be impaired or impeded by the activities;
- The Covered Person will not use paid or unpaid leave time, including FMLA, medical or personal leave, provided by the District to engage in the activities;
- No outside work may be done during paid hours, including lunch hours and breaks, and no District facilities, equipment, labor or supplies are to be used to conduct this outside activity;
- Covered Persons who hold exempt positions are not prohibited from engaging in secondary employment outside of regularly scheduled work hours at the District so long as the Covered Person responds to District needs outside of regularly scheduled hours in a timely and responsible manner.
- The Covered Person has submitted a Conflict of Interest Disclosure Form which has been reviewed and approved by Human Resources and Compliance.

Unauthorized Compensation

Covered Persons, their spouses and minor children are prohibited from accepting any compensation, payment, or item of value when the Covered Person knows, or should know with the exercise of reasonable care, that is given to influence an action in which the Covered Person was expected to participate in his or her official capacity.

Misuse of Position

Covered Persons are prohibited from corruptly using or attempting to use his or her position or any property or resource which may be within his or her trust, or perform his or her official duties, to secure a special privilege, benefit or exemption for himself, herself, or others.

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Disclosure or Use of Certain Information

Current and former Covered Persons of the District are prohibited from disclosing or using information not available to members of the general public and gained by reason of his or her position, except for information relating exclusively to governmental practices, for his or her personal gain or benefit or for the personal gain or benefit of any other person or business entity.

Solicitation or Acceptance of Honoraria

The District Board, Chief Executive Officer, and any purchasing agent with authority to make any purchase in excess of \$20,000 on behalf of the District are prohibited from soliciting an honorarium which is related to their public office or duties. An honorarium means any payment of money or anything of value, directly or indirectly, to the District Board member, Chief Executive Officer, and purchasing agent, or to any other person on his or her behalf, as payment for a speech, address, oration or other oral presentation by the individual, regardless of whether presented in person, recorded or broadcast over the media, or for a writing that is intended to be published (other than a book). Because an honorarium does not include the payment or provision of actual and reasonable transportation, lodging, and food and beverage expenses related to the honorarium event, including any event or meeting registration fee for the individual and spouse, the individual may accept payment of such expenses related to an honorarium event, provided the individual receives a statement listing the name and address of the person providing the expenses, a description of the expenses provided each day, and the total value of the expenses provided for the event within 60 days of the event and discloses such expenses with the statement annually in the financial disclosure when such expenses are paid by a political committee or committee of continuous existence or from a Lobbyist.

Use of District Name

Using the District's name, logo, or other identifying marks in outside private business or employment, or misrepresenting oneself as an agent of the District, is prohibited. Using the District's name in an individual's sponsorship of a political party or cause in a way that implies the District endorsement of private services, business, equipment or supplies is prohibited.

Lobbying by Former Employees

Employees are prohibited from representing another person or entity for compensation before the District for two (2) years after vacating such office.

DISCLOSURE OF POTENTIAL CONFLICTS

Covered Persons must complete the Conflict of Interest Disclosure Form upon hire and annually during their performance review. Covered Persons must also update the Form if any activity or personal interest that may lead to a conflict of interest arises within 10 days of becoming aware of a potential conflict of interest.

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CONSEQUENCES OF VIOLATIONS:

Any employee who engages in prohibited conduct, as specified above shall be subject to discipline, up to and including termination of employment.

Additionally, any Covered Person may be subject to investigation by the Florida Commission on Ethics, the Palm Beach County State Attorney's Office, the Palm Beach County Inspector General, or other enforcement agencies, which may result in civil and/or criminal penalties, if the violation of this policy also constitutes a violation of Florida law.

REPORTING VIOLATIONS:

Employees must contact the Compliance Department if they have any questions concerning the Conflict of Interest Policy. Suspected violations of the Conflict of Interest Policy must be reported immediately to the Compliance or Human Resources Departments or to the Compliance Hotline at 1-866-633-7233.

NON-RETALIATION

The District will not retaliate against any employee who reports suspected violations of this policy in good faith.

RESPONSIBILITIES

Covered Person Responsibilities

1. Fully, accurately, and timely fill out and submit the Conflict of Interest Disclosure Form.
2. Submit interim Conflict of Interest Disclosure Forms within 10 days of becoming aware of new activities or interests that may present a potential Conflict of Interest.
3. Avoid engaging in activities that present a potential Conflict of Interest
4. When engaging in approved Outside Employment or other activities, adhere to all other District policies governing the situation.
5. When engaging in approved Outside Employment or other activities, he or she shall not take part in any decisions related to the outside employer or business to which the conflict relates.
6. Immediately report suspected Conflicts of Interest to the Compliance or Human Resource Departments or calling the Compliance Hotline (1-866-633-7233).

Department Directors/Managers/Supervisors Responsibilities

1. Refer employees to the Compliance or Human Resource Departments as needed.
2. Assist in ensuring Conflict of Interest Disclosure Forms are provided to, and collected from, employees annually at the time of the performance evaluations.
3. Submit all Conflict of Interest Disclosure Forms to the Compliance Department for review.

Compliance Department Responsibilities

1. Ensure Conflict of Interest Disclosure Forms are provided to, and collected from, each employee annually at the time of the performance evaluations and during New Hire Orientation.

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2. Review all Conflict of Interest Disclosure Forms that present a potential Conflict of Interest, conduct further investigation as needed.
3. Consult with Human Resources to develop and implement recommendations as to the resolution of any actual conflict.
4. Educate new employees about this Policy. Educate current employees as needed.
5. File and maintain Conflict of Interest Disclosure Forms and related documents.
6. Receive and investigate complaints regarding violations of this Policy with assistance from Human Resources.

Human Resources Department Responsibilities

1. Assist Compliance Department in developing and implementing recommendations as to the resolution of any actual conflict.
2. Receive complaints regarding violations of this Policy.
3. Assist Compliance Department in conducting investigations of potential conflicts of interest.
4. Assist in providing Conflict of Interest Disclosure Forms as needed from employees.
5. Assist in filing of Conflict of Interest Disclosure Forms as needed.

CROSS-REFERENCES

Employment of Relatives Policy

Exempt Employee Pay Policy

Non-Exempt Employee Pay Policy

Standards of Conduct Policy

Contracts Policy

Purchasing Policy

Property Usage Policy

Florida Statute Sections: 112.313; 112.3148

FORMS

The Conflict of Interest Disclosure Form is available under the Compliance Section in OASIS, the District's internal website.

APPROVED BY	DATE
<u>Audit & Compliance Committee</u>	<u>9/19/12</u>
<u>Health Care District Board of Commissioners</u>	<u>10/12/12</u>

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POLICY & PROCEDURE REVISION HISTORY

**Original Procedure
Date**

Revisions

05/19/10	10/12/12	