



## Board Policy

# **Conflict of Interest**

**Purpose:** The Political Reform Act (California code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The California Fair Political Commission has adopted a regulation (2 California Code of Regulations Sections 18730, hereinafter "Regulation" which contains the terms of a standard Conflict of Interest Code which can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. The Regulation further provides that incorporation of its terms by reference along with the designation of employees and the formulation of disclosure categories in an Appendix shall constitute the adoption and promulgation of a Conflict of Interest Code within the meaning of Government Code Section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87307. Therefore, the terms of the Regulation and any amendment to it, duly adopted by the Fair and Political Practices Commission, are hereby incorporated by reference. The Regulation and the attached appendix designating officials and employees and establishing disclosure categories constitute the Conflict of Interest Code of the Peninsula Health Care District (the "District").

1A. Designated officials and employees and any person who manages the District's investments shall file statements of economic interests with the District, which will make the statements available for public inspection and reproduction.  
(California Government Code Section 81008).

1B. Upon receipt of the statements of all designated officials and employees, the District shall make and retain a copy and forward the original of these statements to the County Clerk for the County of San Mateo, who shall be the Filing Officer for such statements.

**Appendix****DESIGNATED OFFICIALS AND EMPLOYEES\***

Public Official	Disclosure Categories
President, Secretary, All Board Members	1,2,3,4,5,6,7
Chief Executive Officer*	1,2,3,4, 5, 6, 7
Chief Financial Officer**	1,2,3,4,5,6,7
Consultants***	1,2,3,4,5,6,7

\*It has been determined that the additional positions listed below manage public investments and will file a statement of economic interests pursuant to Government Code Section 87200

\*\* If any such officer manages public investments, as defined by 2 California Code of Regulations Section 18720, such officer will not be considered a designated employee but shall file a statement of economic interests pursuant to Government code Section 87200. Any personal holding more than one of these offices or holding one or more of these officers and also serving as a Director shall be required to file only one disclosure statement.

\*\*\* Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the Code subject to the following limitation:

2A. The Chairperson of the Board of Directors or the Board of Directors shall, before or at the time of engagement of a particular consultant, determine in writing whether or not the consultant is being engaged to perform a range of duties that is limited in scope and this is not required to comply with the disclosure requirements described in this Code, either fully or in part. Such written determination shall include a description of the consultant's duties, and is based upon that description, a statement of the extent of disclosure requirements. If it is determined at or before the time of engagement that a particular consultant's range of duties are such as to not require full or any compliance with the disclosure requirements of this Code, but it later appears that the consultants duties have so expanded or otherwise changed so that full or additional compliance should be required, the Chairperson of the Board of Directors or the Board of Directors shall make such determination in writing within a reasonable time. All such written determinations are public records and shall be retained for the public inspection in the same manner and location as this Conflict of Interest Code.

2B. In making such determination, the Chairperson of the Board of Directors or the Board of Directors, as the case may be, shall be guided by the principle that consultant required to comply with the disclosure requirements shall be those who make governmental decisions as provided in 2 California Code of Regulations Section 18700(a)(2)(A), or who serve in a staff capacity with the District and in that capacity perform substantially all the same duties for the District as would otherwise be performed by a person holding a position specified in this Conflict of Interest Code, as provided in 2 California Code of Regulations Section 18700(a)(2)(B).

### **Disclosure Categories**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which the designated person is assigned.<sup>1</sup> “Investments” means a financial interest in any business entity (including a consulting business or other independent contracting business) and are reportable if they are located in, doing business in, planning to do business in, or have done business during the previous two years within the District’s jurisdiction.

- Category 1. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments as required by FPPC Form 700, Schedules A-1 and A-2.
  
- Category 2. All interests in real property which is located, in whole or in part within the District or outside the District but within two (2) miles of a District boundary, including any leasehold, beneficial, or ownership interest or option to acquire property.
  
- Category 3. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, that are engaged in land development, construction, or the acquisition or sale of real property within the District’s jurisdiction.
  
- Category 4. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments,

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<sup>1</sup> The reporting of gifts from outside the District’s jurisdiction is not required if the source does not have some connection with or bearing upon the functions or duties of the position (Regulation 18730.1).

that provide services, products, machinery, vehicles, or equipment of a type purchased or leased by the District.

Category 5. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, that provide services, products, machinery, vehicles, or equipment of a type purchased or leased by the designated person's department, unit, or division.

Category 6. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, subject to the regulatory, permit, or licensing authority of the District or the designated person's department, unit, or division.

Category 7. All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, or income from a nonprofit organization, if the source is of the type to receive grants or other monies from or through the District.

**Adopted 6-28-18**

**Revised 7-15-2021**

**Approved 7-22-2021**

**Revised 3-19-2024**

**Approved 3-28-2024**

**Updated and Approved by the Board: 10/24/2024**