

ISSUE DATE: March 28, 2023  
 EFFECTIVE DATE: May 18, 2023  
 REVISION DATE: XX/XX/XX

RECOMMENDER: Sarah Begeal LCSWR DATE: 5/18/23  
 Sarah Begeal, Deputy Director of Community Services

ADMINISTRATIVE APPROVAL: Lori Morgan LCSW-R DATE: 5/18/23  
 Lori Morgan, Director of Community Services

COMMUNITY SERVICES BOARD APPROVAL: John Bezirgianian DATE: 5/18/23  
 John Bezirgianian, Medical Director & Community Services Board Chair

REASON: Update to the 18 NYCRR Part 521 Regulations AND;  
 Amendments of the New York State Social Service Law Section 363-D

**Policy and Procedure: Corporate Compliance**  
**Topic: Conflict of Interest**

**Purpose:**

All employees and Board members of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE (sometimes referred to as "TCDMH" or "TCMH") have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy is established to ensure that services and business activities are conducted in an objective manner and are not motivated by a desire for personal or financial gain. The Community Services Board is responsible for the implementation of the Conflict of Interest Policy.

**Policy:**

It is the Policy of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE to ensure that decisions about TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's operations are made to benefit the Tioga County Department of Mental Hygiene when contemplating a transaction or arrangement that could benefit an officer, director, or employee.

1. Employees, officers, and Board members are required to disclose any actual or potential conflict of interest and seek guidance on how to handle the situation.
  - *Conflict of Interest:* Any situation in which financial or other personal considerations may compromise or appear to compromise (1) an employee's or Board member's business judgment; (2) delivery of services; or (3) ability for an employee to do his or her job. An actual or potential conflict of interest occurs when an employee or Board member is in a position to influence a decision that may result in a personal gain for that employee, Board member, or for an immediate family member as a result of business dealings. For the purpose of this Policy, an immediate family member is any person who is related by blood or marriage, or whose relationship with the employee or Board member is similar to that of persons who are related by blood or marriage. An immediate family member of a person includes:

- The person's spouse;
  - Natural or adoptive parent, child, or sibling;
  - Stepparent, stepchild, stepbrother, or stepsister;
  - Father-in-law, mother-in-law; son-in-law; daughter-in-law; brother-in-law; or sister-in-law;
  - Grandparent or grandchild; and
  - Spouse of a grandparent or grandchild.
2. Business dealings with outside entities should not result in unusual gain for those entities, TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE, a Board member, or an employee. Unusual gain refers to gifts, bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both or that would reasonably be determined to influence the employer, employee, or both.
  3. The materials, products, designs, plans, ideas, and data are the property of the Tioga County Department of Mental Hygiene and should never be given to an outside firm or individual without appropriate prior authorization from the Director of Community Services. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, is prohibited.
  4. TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE will not enter into a related party transaction unless the Board affirmatively determines that the transaction is fair, reasonable, and in the best interest of the Tioga County Department of Mental Hygiene. A related party transaction means any transaction, agreement, or arrangement in which a related party has a financial interest. A related party is defined as: (i) any director, officer, or key employee (e.g., members of senior leadership) of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE or its related entities; (ii) any relative of any director, officer, or key employee of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE or its related entities; or (iii) an entity in which any individual described in (i) or (ii) has a 35% or greater ownership or beneficial interest, or in the case of a partnership or professional corporation, a direct ownership interest in excess of 5%.

## Regulatory References:

Not-For-Profit Corporation Law § 715

**Procedures:**

1. Each employee will be provided with TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's Conflict of Interest Policy as part of the new hire orientation process. Each employee shall sign a statement that affirms that the employee:
  - Has received a copy of the Conflict of Interest Policy,
  - Has read and understands the Policy, and
  - Has agreed to comply with the Policy.
2. Each Board member, officer, key employee, and member of a committee with Governing Board-delegated powers will be provided with TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's Conflict of Interest Policy and shall sign a statement at the time of hire, assignment, and/or Board approval that affirms that such person:
  - Has received a copy of the Conflict of Interest Policy,
  - Has read and understands the Policy, and
  - Has agreed to comply with the Policy.
3. Employees must disclose any potential conflicts of interest upon hire and when a potential conflict arises. The Employee completes the Conflict of Interest Disclosure Statement form (attached to this Policy) to record an actual or potential conflict of interest upon hire and when a potential conflict arises. Completed forms are to be forwarded to and retained by the Compliance Officer.
4. Key employees (members of senior leadership), the Director Of Community Services, Officers, and Board members must complete a Conflict of Interest Disclosure Statement upon hire or prior to being seated (voted on for approval) and annually thereafter in order to report any actual or potential conflict of interest. Such annual statement shall not exempt any key employee, officer, or Board member from disclosing a potential conflict of interest pursuant to Procedure #11 below. The Compliance Officer shall provide copies of all completed Conflict of Interest Disclosure Statements by key employees, the Director of Community Services, officers, and Board members to the Chair of the Board.
5. An employee or Board member with questions or concerns about a potential conflict of interest will promptly address the issue with appropriate Management staff and/or the Compliance Officer. Management staff will consult with the Compliance Officer before responding to a concern or question about a potential conflict of interest.
6. Board Members, Officers, the Director of Community Services, and Management personnel are expected to avoid actions that could be perceived or interpreted as being in conflict with the best interest of the Tioga County Department of Mental Hygiene.
7. Actual or potential conflicts of interest must be disclosed to appropriate management personnel and the Compliance Officer. Employees who may be involved in any TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's business transaction in which there is an actual or potential conflict of interest will promptly notify their immediate supervisor and Compliance Officer; the Compliance Officer will promptly notify the Director of Community Services and the Chair of the Board.
8. The completed Conflict of Interest Disclosure Statements are reviewed by the Compliance Officer and Director of Community Services and, if necessary, appropriate actions and

adjustments are made to avoid possible conflicts of interest. The Compliance Officer will report significant concerns regarding the Conflict of Interest Disclosure Statements to the Compliance Committee and the Chair of the Board.

9. The Compliance Officer will maintain a written record of any report of potential conflict of interest and of any adjustments made to avoid potential conflicts of interest.
10. The Chair of the Board, after receiving information about a potential conflict of interest, will take such action as is necessary to ensure that the transaction is completed in the best interest of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE without the substantive involvement or influence of the person with the potential conflict of interest.
11. Key employees, officers, and Board members who have a direct or indirect interest in a related party transaction must disclose, in good faith, such interest to the Board or Committee considering the transaction and the material facts concerning such interest.
12. Key employees, officers, and Board members who have a direct or indirect interest in a related party transaction may not be present or otherwise participate in any Board or Committee deliberations or voting concerning the transaction; however, such individuals may present information concerning a related party transaction prior to the commencement of deliberations or voting.
13. Prior to entering into a related party transaction, the Board or Committee must consider alternatives, to the extent available, that would not be a related party transaction.
14. The Board or Committee must approve the related party transaction by not less than a majority vote of those present at the meeting.
15. The Board or Committee must contemporaneously document, in writing, the basis for its approval of the related party transaction, including its consideration of alternatives to the related party transaction.
16. Board members with conflicts will absent themselves from the discussion/deliberation and vote on the item/circumstance that the Board member has identified as a conflict. The meeting minutes shall indicate when the member left the room, that the discussion and vote, if any, occurred, and then that the member was invited to return to the meeting. If any member with a conflict does not excuse themselves from the meeting, the Chair of the Board shall ask the member to leave the room. The existence and resolution of the conflict, if any, must be documented.
17. Board members are strictly prohibited from any attempt to influence the discussion, deliberations, or vote on any subject that relates to the member's conflict.
18. Employees must seek guidance and approval from appropriate Management personnel prior to pursuing any business or personal activity that may constitute a conflict of interest.
19. Outside employment may not interfere with the employee's ability to perform their job with TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE. In addition, TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE employees may not compete against TIOGA

COUNTY DEPARTMENT OF MENTAL HYGIENE, work for its competitors, or have any ownership interest in a competitor.

20. The Compliance Officer shall document the existence and resolution of any conflict in the Tioga County Department of Mental Hygiene's records, including putting in the minutes of any meeting at which a conflict was discussed and voted upon.

21. The Compliance Officer will investigate any violations of this Policy.

### **Sanction Statement:**

Non-compliance with this policy may result in disciplinary action, up to and including termination.

### **Compliance Statement:**

As part of its ongoing auditing and monitoring process in its Compliance Program, TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE will review this policy based on changes in the law or regulations, as TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed; the policy is effective; the policy has been disseminated to all affected individuals, as well as notified of any updates or changes.

Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.

### **Record Retention Statement:**

TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

## **Conflict of Interest Policy Acknowledgment and Disclosure Statement**

The Conflict of Interest Policy includes a provision that sets forth standards of conduct expected and requiring Board members, Management, and employees to disclose all interests that could result in an actual or potential conflict of interest.

In accordance with TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's (sometimes referred to as "Tioga County Mental Hygiene" or "TCMH") Conflict of Interest Policy, a conflict of interest is defined as any situation in which financial or other personal considerations may compromise or appear to compromise (1) an employee's or Board member's business judgment; (2) delivery of services; or (3) ability for an employee to do their job. An actual or potential conflict of interest occurs when an employee or Board member is in a position to influence a decision that may result in a personal gain for that employee, Board member, or for an immediate family member as a result of business dealings.

Please complete and return the Conflict of Interest Disclosure Statement. Please be assured that the disclosure requirements are intended to provide the Community Services Board and Management with a systematic and ongoing method of disclosing and ethically resolving potential conflicts of interest. Although it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guide to the types of activities that might cause conflicts and that should be fully reported:

### **A. Outside Interests**

- a. To hold, directly or indirectly, a position or a financial interest in any outside concern from which the individual has reason to believe the Tioga County Department of Mental Hygiene secures goods or services (including the services of buying or selling stocks, bonds, or other securities), or that provides services that compete with the Tioga County Department of Mental Hygiene.
- b. To compete, directly or indirectly, with the Tioga County Department of Mental Hygiene in the purchase or sale of property or property rights, interests, or services.

### **B. Outside Activities**

To render directive, managerial, or consultative services to any outside concern that does business with the Tioga County Department of Mental Hygiene or competes with the services of the Tioga County Department of Mental Hygiene, or to render other services in competition with the Tioga County Department of Mental Hygiene.

### **C. Inside Information**

To disclose or use information relating to the Tioga County Department of Mental Hygiene's business for the personal profit or advantage of the individual or their immediate family.

### **D. Gifts, Gratuities, and Entertainment**

To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, the Tioga County Department of Mental Hygiene – under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of their duties.

- ✓ I have been provided with a copy of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's Conflict of Interest Policy.
- ✓ I hereby state that I, or members of my immediate family, have the following affiliations or interest and have taken part in the following transactions that, when considered in conjunction with the position with or relation to TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE, might possibly constitute a conflict of interest. (Check "None" where applicable)

1. Outside Interests

Identify any interests, other than investments, of yourself or your immediate family, as described in paragraph A (Outside Interests) above.

( ) None

2. Investments

List and describe, with respect to yourself or your immediate family, all investments that might be within the category of "financial interest", as described in paragraph A (Outside Interests) above.

( ) None

3. Outside Activities

Identify any outside activities, of yourself or your immediate family, as described in paragraph B (Outside Activities) above.

( ) None

4. Other

List any other activities in which you or your immediate family are engaged that may be regarded as constituting a conflict of interest, giving particular attention to paragraphs B (Outside Activities) and C (Inside Information) above.

( ) None

5. I hereby certify that neither I nor any member of my immediate family have accepted gifts, gratuities, or entertainment that might influence my judgment or actions concerning the business of the Organization, except as listed below:

( ) None

6. The following circumstances may possibly violate the Standards of Conduct:

( ) None

7. List any family members employed by ORGANIZATION or serving as a member of ORGANIZATION's Board of Directors.

Name	Relationship
_____	_____
_____	_____
_____	_____

By signing below, I affirm that:

1. I have received and read a copy of TIOGA COUNTY DEPARTMENT OF MENTAL HYGIENE's Conflict of Interest Policy;
2. I agree to comply with the Policy;
3. I have no actual or potential conflicts as defined by the Policy or if I do, I have previously disclosed them as required by the Policy or am disclosing them on this form; and
4. I hereby agree to report to the Management or the Compliance Officer any future situation that may result in a conflict of interest.

Name (Printed or typed)	Title
Signature	Date

Reviewed by:

Name (Printed or typed)	Title
Signature	Date



