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<p>Ref #: 1302.90(c); Personnel Policies 403, pp. 48-51</p>	<p>Policy Council Approval Date: 10/29/19</p>

COMPONENT: PROGRAM DESIGN AND MANAGEMENT – HUMAN RESOURCE

SUBJECT: STANDARDS OF CONDUCT

PERFORMANCE OBJECTIVE: To ensure that all staff, consultants, and volunteers abide by the program’s standard of conduct.

POLICY AND PROCEDURE:

All Highland Rim Head Start Staff will maintain a standard of conduct provided by Highland Rim Economic Corporation that specifies:

1. Highland Rim Head Start Staff will respect and promote the unique identity of each child and family and refrain from stereotyping on the basis of gender, race, ethnicity, culture, religion, or disability;
2. Highland Rim Head Start staff will sign a confidentiality agreement stating the confidentiality policies concerning information about children, families, and other staff members;
3. Highland Rim Head Start staff will supervise children at all times;
4. Highland Rim Head Start staff will use positive methods of child guidance and will not engage in corporal punishment, emotional or physical abuse, or humiliation. Isolation, food as punishment or reward, or denial of basic needs will not be used as methods of discipline;
5. Confidential information will be seen by and discussed only with staff members who can demonstrate a need for the information in order to perform their jobs;
6. Each Director, Officer, Policy Council member, and employee of HREC shall receive a copy of the Code of Conduct. Each person will be required to complete the disclosure statement and must certify that he or she has read the Code and agrees to comply with all standards and requirements set forth therein annually.

HIGHLAND RIM ECONOMIC CORPORATION
CODE OF CONDUCT

Highland Rim Economic Corporation (HREC) is committed to maintaining the highest level of integrity and the highest standards of ethical conduct in all of its activities and dealings. It is important for HREC Directors, Officers, Policy Council members, and employees to be aware that both real and apparent conflicts of interest or dualities of interest sometimes occur in the course of conducting the affairs of the organization and that the appearance of conflict can be troublesome even though there is in fact no legal conflict of interest.

Conflicts occur because the many persons associated with HREC should be expected to have, and do in fact generally have, multiple interests and affiliations and various positions of responsibility within the community. In these situations, a person will sometimes owe identical duties of loyalty to two or more organizations. Conflicts are undesirable because they potentially place the interests of others ahead of HREC's obligations to the public interest. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the parties.

The purpose of the Code of Conduct is to provide guidance to HREC's Directors, Officers, Policy Council members, and employees so the Agency can maintain the highest level of integrity and the highest standards of ethical conduct. Each Director, Officer, Policy Council member, and employee of HREC is urged to review carefully this Code of Conduct and make every effort to adhere to it. Certain provisions of this Code of Conduct, as indicated, apply only to Directors, Officers, Policy Council members, and employees.

I. Gifts to Directors, Officers, Policy Council Members, and Employees

The acceptance by any Director, Officer, Policy Council member, or employee of money, services, or any other thing of value offered by a representative, person, or entity which (1) does business with HREC (or any person or entity which potentially could do business with HREC) or (2) has applied for a grant or potentially could apply for an upcoming grant from HREC is prohibited. The offer of any such benefit must be reported immediately to the Board Chair for Directors and Officers and to the Executive Director or Director of Finance for Policy Council members and employees. Notwithstanding the forgoing, it is understood that a Director, Officer, Policy Council member, or employee of HREC may receive unsolicited gifts of modest value from persons doing business with HREC, such as Christmas gifts of modest value not to exceed \$50. If the value of a gift exceeds \$50, the gift must be returned to the donor. If the gift is not easily returned, the gift shall be donated to a local charitable agency or organization in the name of the donor. Said donor shall be notified of such, as well as, notified of HREC's gift prohibition policy. It is also expressly understood that this policy does not preclude business meals or nominal entertainment on an infrequent basis.

II. Confidentiality of Information

HREC's Directors, Officers, Policy Council members, and employees owe a duty of loyalty to HREC. The duty of loyalty requires each Director, Officer, Policy Council member, and employee of HREC to respect the confidentiality of information gained in the course of Board activities or employment. No Director, Officer, Policy Council member, or employee shall use information received in the course of serving HREC if the personal use of such information would be detrimental in any way to the Agency.

III. Conflicts of Interest

Directors - Any possible conflict of interest of any Director (or member of the Director's immediate family) shall be fully disclosed to the other Directors and made a matter of record. For the purpose of this policy, a member of an immediate family shall include any of the following persons: husband/wife, father/father-in-law, mother/mother-in-law, sister/sister-in-law, brother/brother-in-law, son/son-in-law, daughter/daughter-in-law, grandfather/grandmother, grandson/granddaughter. When any such possible conflict of interest becomes relevant to any matter requiring Board of Directors or Committee action, it shall be called to the attention of the Board or Committee and, if any question is raised as to whether a conflict of interest exists, the potentially interested person shall leave the meeting while the matter is discussed and voted upon. The remaining members shall decide if a conflict of interest exists. If the remaining members determine that a conflict of interest exists, or if no such vote is taken because a conflict of interest clearly exists, the Director shall not vote on the matter in which he or she (or a member of his or her immediate family) has a possible conflict of interest, shall not use personal influence to affect the vote, and shall leave the room during the final discussion and vote on the matter. However, any Director who is excluded from voting because of such possible conflict of interest may answer any pertinent questions of other Directors or Committee members when the Director's knowledge of the matter may assist the Board or Committee in making its determination. Any vote approving a transaction that involves a possible conflict of interest should include a determination by the disinterested Directors that the transaction is in the best interest of the Agency and is fair in all respects to HREC. The minutes of the meeting shall reflect that a disclosure was made and the nature of the disclosure, that the interested Director abstained from voting and left the room for the final discussion and vote, and that the interested Director abstained from the action taken to determine whether a conflict of interest existed, if any.

Board and Policy Council members are prohibited from receiving compensation for serving on the Board or providing services to the Agency, and Board members and their immediate family are prohibited from being employed by the Agency. Board members must operate independent of staff employed at the Agency.

Committee Members - The provisions of this policy applying to directors also shall apply to any person who is not a Director but who is at any time serving as a member of any Committee.

Officers, Policy Council Members, and Employees - Each Officer, Policy Council member, and employee has a duty to make full disclosure to the Board of Directors of any possible conflict of interest (or that of a member of his or her immediately family) regarding any matter as to which the officer or employee provides recommendations or advice to the Board of Directors.

Types of Conflicts of Interest - A particularly important type of possible conflict of interest arises when a Director, Officer, Policy Council member, or employee holds a direct or indirect financial interest in (or will receive a benefit from) a business firm furnishing services, materials, or supplies to HREC or that is seeking grant funds from HREC. Board of Directors, Officers, Policy Council members, and staff are prohibited from having a direct or indirect financial interest with HREC. A direct financial interest is the receipt of

remuneration of any sort. An indirect financial interest exists if a party transacting business with HREC is an entity:

- (1) in which HREC's Director, Officer, Policy Council member, or employee (or a member of his or her immediate family) has a material financial interest;
- (2) with which HREC's Director, Officer, Policy Council member, or employee (or a member of his or her immediate family) has a substantial business relationship; or
- (3) of which HREC's Director, Officer, Policy Council member, or employee (or a member of his or her immediate family) is an Officer, Director, General Partner, or employee.

A direct or financial interest does not exist when an eligible Director, Officer, Policy Council member, or employee receives benefits or services through programs administered by HREC. Directors, Officers, Policy Council members, or employees are not excluded from being clients of the Agency and receiving program services for which they are eligible; however, they should not receive preferential treatment in the nature or timing of these services.

Directors, Officers, Policy Council members, and employees are prohibited from having a financial conflict of interest with HREC. If a financial conflict of interest exists and is not eliminated, the Director, Officer, Policy Council member, or employee must resign.

IV. Use of CAA's Services, Property, or Facilities for Personal Purposes

No Director, Officer, Policy Council member, or employee shall make use of HREC's services, property, or facilities for any purpose that is not related to the Agency's purposes.

V. Political Activities

No Director, Officer, Policy Council member, or employee of HREC in the name of the Agency or under the color of the official capacity or authority of HREC shall:

- (1) participate or become actively involved in any political campaign or in any other type of political activity; or
- (2) provide financial support for, or make contributions to or for the benefit of any political candidate, political party, or Political Action Committee, or provide financial support for or make contributions in support of any other political objective.

Notwithstanding the foregoing, HREC recognizes that each of its Directors, Officers, Policy Council members, and employees has the right as a citizen to become involved in his or her individual capacity in the political process in Tennessee and on a national and local basis. Any such participation or involvement by any person in a political campaign or other type of political activity or any contribution to or any other financial support of a political candidate or any other type of political contribution or support shall only be carried on or provided in an individual capacity.

VI. Compliance with Code of Conduct

Each Director, Officer, Policy Council member, and employee of HREC shall receive a copy of the Code of Conduct. Each such person shall be required to complete the disclosure statement and also shall certify that he or she has read the Code and agrees to comply with all standards and requirements set forth herein.