

## Resolution of the Branch-Hillsdale-St. Joseph Board of Health

September 26, 1996

Whereas the Office of Services to the Aging has developed and adopted ethical guidelines for service providers and;

Since that code provides guidelines for ethical conduct of local Policy Councils, Advisory Councils, Area Agency Staff and Contract Providers;

We the Policy Council for the Branch-St. Joseph Area Agency on Aging adopt the document identified as CODE OF ETHICS: Guidelines for Service Providers as the ethical standard governing all local operation of senior services which are directly or indirectly provided under the auspices of this board.

Paul Owens

Signature of Authorized Representative

9-26-96

Date

Branch-St. Joseph Area Agency on Aging  
(III-C)

W. Melle

Attest

9/26/96

Date

# **CODE OF ETHICS**

**GUIDELINES FOR SERVICE PROVIDERS**

**MICHIGAN OFFICE OF SERVICES TO THE AGING**

The "Code of Ethics, Guidelines for Services Providers" was adopted by the Michigan Commission on Services to the Aging, April 20, 1979 as a guide to ethical principles for individuals, groups and agencies in the field of gerontology. Under a directive from the Commission, the State Advisory Council on Aging was given the responsibility to develop the guidelines on July 14, 1977. A special Advisory Council task force was appointed to draft the guidelines. After two years of work with the State Board of Ethics, Executive Office, Department of Management and Budget and other interested individuals and a review of the U.S. Department of Health, Education, and Welfare's Standard of Conduct (9/70) The State Advisory Council adopted the guidelines on August 27, 1978. The code will be used for one year. After which time it will be reviewed.

Printed May, 1979



*"Aging begins the moment you are born"*

## TABLE OF CONTENTS

I. INTRODUCTION, GENERAL PROVISIONS	1
A. Purpose	1
B. Definitions	1
C. Applicability	3
D. Responsibilities of Service Provider	3
II. CONFIDENTIAL INFORMATION	3
III. GIFTS, ENTERTAINMENT, FAVORS, GRATUITIES AND EXPENSES	4
A. What to Accept from Outside Sources	4
B. Offers from Outside Sources	5
C. Gifts to Official Superiors	5
D. Being Named in a Will	5
E. Fundraising Activities	5
IV. OUTSIDE EMPLOYMENT	5
A. Description	5
B. Compensation for Services	6
C. Holding Office in Professional Societies	6
V. FINANCIAL INTERESTS	6
A. General Provisions	6
B. Procurement Standards	6
VI. CONDUCT ON THE JOB	8
A. Use of Public Funds	8
B. Use of Public Resources and Property Including Equipment	8
VII. NONDISCRIMINATION	8
VIII. POLITICAL ACTIVITY	9
IX. ENFORCEMENT	9
X. DISCIPLINARY ACTION	9
XI. REFERENCES	10

## **I. INTRODUCTION, GENERAL PROVISIONS**

### **A. Purpose**

(1) The purpose of this statement is to outline ethical principles that will set standards for individuals, groups, and agencies who work in a paid or volunteer capacity in the field of gerontology in situations of conflict of interest which may arise during the course of daily activity. These include agencies receiving local, State and Federal funds administered by the State and their advisory councils, policy-making bodies, subcontractors and volunteers in the field of aging.

(2) In order to assure that services to older Americans are conducted effectively, objectively and without improper influence, all service providers must be persons of integrity and maintain conduct of the highest level of decorum. Also, he/she must not do indirectly that which is improper for him/her to do directly. A service provider must avoid conflicts of his/her private interests with public duties and responsibilities. Failure to observe any of the regulations is cause for disciplinary action.

### **B. Definitions**

(1) Client: Any older person who receives or seeks services from the service provider network.

(2) Service Provider: For the purpose of this instruction, the following agencies, organizations, and individuals shall hereinafter be referred to as "service providers:"

- Area Agencies on Aging; Community Nutrition Services Program Grantees;
- Foster Grandparent Grantees;
- Area Agency on Aging Advisory Councils, Nutrition Project Councils, and Foster Grandparent Advisory Councils; and
- Volunteers, subcontractors, or other individuals, groups or organizations.

Included are organized groups, policy-making bodies, individuals, volunteers, trainees, and enrollees who subscribe to this document and who serve in the service provider network.

(3) Service Provider Network: The agencies, organizations, groups, and individuals referred to

in paragraphs B(1) and (2) above shall be referred to as the "service provider network."

(4) Personal interest: Personal interest includes personal profit, financial benefit, incompatibility or conflict, impairment of judgment or action, a direct or an indirect financial or personal interest, the interest of the employer, the interest of a company that is doing business with the employer, the interest of a spouse, and the interest of one with whom an intimate relationship exists (such as a law partner).

(5) Service Providers Covered by Public Act 196 of 1973: The members of the Commission on Aging, the State Advisory Council and employees of the Office of Services to the Aging must meet standards of conduct required by Public Act 196 of 1973, which reads in part as follows:

15.342 Public officer or employee; prohibited conduct.

[M.S.A. 4.1700(72)]

Sec. 2. (1) A public officer or employee shall not divulge to any unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.

(2) A public officer or employee shall not represent his personal opinion as that of his agency.

(3) A public officer or employee shall use personnel resources, property, and funds under his official care and control solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

(4) A public officer or employee shall not, directly or indirectly, solicit or accept any gift or loan of money, goods, services, or other thing of value for the benefit of any person or organization, other than the state, which tends to influence the manner in which the public officer or employee or any other public officer or employee performs his official duties.

(5) A public officer or employee shall not engage in a business transaction in which he may profit from his official position or authority or

benefit financially from confidential information which he has obtained or may obtain by reason of such position or authority.

(6) A public officer or employee shall not engage in or accept employment or render services for any private or public interest when that employment or service is incompatible or in conflict with the discharge of his official duties or when that employment may tend to impair his independence of judgment or action in the performance of his official duties.

(7) A public officer or employee shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision, relating to any business entity in which he has, directly or indirectly, a financial or personal interest.

#### **C. Applicability**

The ethical principles described above shall be applicable to the agencies, organizations, groups, and individuals referred to in paragraphs B.(1) and (2) and referred to as the "service provider network."

Additional standards and examples of specific conduct which are prohibited are contained in the remaining sections of the Code. State classified employees are also bound by Civil Service Rules 1.5 and 1.6.

#### **D. Responsibilities of Service Provider**

Each service provider shall be responsible for observing the rules of conduct set forth in this Code and shall acquaint himself/herself with the rules that relate to his/her ethical and other conduct as a service provider in the service provider network.

## **II. CONFIDENTIAL INFORMATION**

The Federal Freedom of Information Act (5 U.S. Code Annotated, Section 552) and a similar Michigan statute (P.A. 442 of 1976) require that certain information be freely available to the general public. However, information of a personal nature, where the public disclosure would constitute an unwarranted invasion of the individual's privacy, is considered confidential and therefore

exempt from disclosure. For example, names of recipients shall not be made available to the public as this is considered a matter of privacy not required to be divulged under the Act. This is necessary because it may involve private personal information which has been furnished in confidence. In addition, information in the possession of the service provider network and not generally available may not be used for private gain.

Service providers shall not, directly or indirectly, make use of or permit others to make use of, for the purpose of furthering a private interest, official information not made available to the general public. Such use of official information is clearly a violation of public trust.

Service provider may not use his/her official position or confidential information acquired in the course of his official duties to further his/her personal interests or to secure privileges or exemptions for himself or others.

### **III. GIFTS, ENTERTAINMENT, FAVORS, GRATUITIES, AND EXPENSES**

#### **A. What to Accept from Outside Sources**

(1) Service providers shall not solicit or accept directly or indirectly a gift, payment, subscription, advance, rendering or deposit of money, gratuity, favor, entertainment, loan or anything of value from a person, business or organization with whom he/she has or has had official relationships, whether or not proffered for or because of any action or decision of the service provider, such as from a person, business, or organization that:

(a) has or is seeking to obtain contractual or other business relations with his agency; or

(b) conducts operations or activities that are regulated by his agency.

This does not preclude normal business practices which enable service providers to maintain ongoing services, i.e., bank loans to meet current obligations.

(2) Service provider shall not distribute, or cause to be distributed, any advertisement or materials with samples aimed at soliciting older persons on behalf of profit-making businesses or organizations unless the materials are beneficial

and provide a service to older persons (i.e., Senior Discount Program information).

(3) Service provider may not accept, for example, anything of value for assistance provided travel or tour guide agencies in developing or arranging travel tours for individuals or organizations in the service provider network.

#### **B. Offers from Outside Sources**

It is a violation of this Code for anyone to directly or indirectly receive, give, offer, or promise anything of value for performance of or to influence the performance of an official act of a service provider.

#### **C. Gifts to Official Superiors**

A service provider shall not solicit contributions from another service provider for a gift or make a donation as a gift to a service provider in a superior official position unless it is a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as marriage, illness or retirement.

#### **D. Being Named in a Will**

Service provider shall not conduct him/herself in such a manner as to use his/her position as a service provider to influence or cause recipient of services to reward him/her with the benefits of a will as compensation for services.

#### **E. Fundraising Activities**

This Code is not intended to preclude bona fide institutional fundraising activities; i.e., raffles, etc.

### **IV. OUTSIDE EMPLOYMENT**

#### **A. Description**

Service provider shall not engage in outside employment or other outside activity not compatible with the full and proper discharge of the duties and responsibilities of his/her office. Incompatible activities include, but are not limited to:

(1) Acceptance of a fee, compensation, gift, payment of expense, or any other thing of monetary value in any circumstances in which acceptance may result in violation of this Code;

(2) Outside employment which tends to impair his/her mental or physical capacity to perform his/her official duties and responsibilities in an acceptable manner;

(3) Outside work or activity that takes the service provider's time and attention during his official work hours.

#### **B. Compensation for Services**

Service provider shall not receive any salary or anything of monetary value from a private source as compensation for services in the performance of official duties. For example, a provider in the network service may be called upon, as part of his official duties, to participate in a professional meeting or to contribute a paper. The service provider may not accept an honorarium or fee for such services, even though the organization accepting the service customarily makes such a payment to those who participate. Travel and reasonable expenses may be accepted with the approval of supervisors. However, the organization accepting the service may make a financial contribution to the provider agency for services rendered.

Instruction given during regularly scheduled working hours shall not be considered a business transaction if:

- it is provided during annual leave or vacation time; or
- the instructor has no direct dealing with or influence on the employment or contracting facility with his/her official duties as a service provider.

#### **C. Holding Office in Professional Societies**

Service providers may be members of professional societies and be elected or appointed to office in such a society. Service providers shall avoid conflict of interest in connection with such membership.

### **V. FINANCIAL INTERESTS**

#### **A. General Provisions**

Service providers shall not have a direct or indirect financial interest that conflicts with his/her official duties and responsibilities.

#### **B. Procurement Standards**

A service provider organization shall maintain a code or establish standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administ-

ration of contracts for the procurement of supplies, equipment, construction and services whose cost is borne in whole or in part by State of Michigan or Federal funds administered by the State. The code or standards shall provide for disciplinary actions to be applied for violations of the code or standards by the recipient's officers, employees, or agents.

(1) The service provider's officers, employees or agents of a service provider shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors. As noted in Paragraph E page 5, this is not intended to preclude bona fide institutional fundraising activities.

(2) No employee, officer or agent of a service provider organization shall participate in the selection, award or administration of a contract where, to his or her knowledge, any of the following has a financial interest in that contract:

- (a) The employee, officer or agent;
- (b) Any member of his or her immediate family;
- (c) His or her partner;
- (d) An organization in which any of the above is an officer, director or employee;

(e) A person or organization with whom any of the above individuals is negotiating or has any arrangement concerning prospective employment. [45 CFR, Part 74.162 Department of Health, Education and Welfare Grants Administration Regulations, OMB Circular A-110. CFR Vol. 43 #149, 8/2/78, p. 34097.]

(3) It is difficult to obtain capable and qualified persons to serve in the service provider network particularly on advisory councils and policy boards who are totally objective and without a personal interest (See B.(4) above) in the outcome of the recommendations made by them. As long as there is an awareness of their other interests and as long as such persons abstain from discussing a motion, making a recommendation and voting whenever their personal or agency's interest is involved, and as long as that contract is approved by a 2/3 of the remaining members, persons with potential conflicts may serve on advisory councils and policy boards.

## **VI. CONDUCT ON THE JOB**

Service providers must demonstrate concern and appreciation of the heritage, values and wisdom of older persons in providing assistance, assuring the dignity and individual rights of clients, as well as other persons. Courtesy, consideration, and promptness in dealing with other agencies, clients/recipients, and organizations must be shown in carrying out official responsibilities.

### **A. Use of Public Funds**

Several laws carry criminal penalties for misuse of local, State and Federal funds (Michigan Compiled Laws 1970, Section 750.218, Section 750.489 and Section 750.490). These apply to:

- (1) Improper use of official travel;
- (2) Improper use of payroll and other vouchers and documents on which payments are based;
- (3) Taking or failing to account for funds with which a service provider is entrusted in his official position; and
- (4) Taking other official funds for personal use.

### **B. Use of Public Resources and Property, Including Equipment**

A service provider shall not directly or indirectly use or allow the use of public property of any kind for other than officially approved activities. A service provider has a positive duty to protect and conserve public property, including equipment, supplies, and other property entrusted or issued to him. For example:

- (1) Only official documents and materials may be processed on official reproduction facilities.
- (2) Service providers may drive or use official automobiles only on official business.

## **VII. NONDISCRIMINATION**

Neither service providers nor clients shall be discriminated against because of race, color, religion, national origin, sex, age, or on the basis of a physical handicap. See appropriate legislation for specifics.

## **VIII. POLITICAL ACTIVITY**

Service providers are individually responsible for refraining from prohibited political activity (see Title V, U.S. Code, the Hatch act, attached. Where applicable, see attached Public Act 169 of 1976 Sec. 15.402-407.)

## **IX. ENFORCEMENT**

Any service provider who violates the provisions of this Code shall be subject to such disciplinary action as is appropriate under the circumstances as set forth in Paragraph X.

## **X. DISCIPLINARY ACTION**

Violations of the rules contained in this Code shall be considered good cause for disciplinary action in addition to any penalty prescribed by law. No standard table of penalties has been established. However, officers of boards, councils and other individuals in authority are responsible for recommending and taking appropriate disciplinary action as each individual case warrants.

Some types of disciplinary actions to be considered are:

- (1) oral admonishment
- (2) written reprimand
- (3) reassignment
- (4) suspension
- (5) termination

Following adoption of this Code as a guideline for the Aging Network, the Commission shall, within one year, review the Code and seek advice and comments from the State Advisory Council, and the service provider network to determine whether the Code should be formally promulgated by the Administrative Rules Committee pursuant to the Administrative Procedures Act, Section 24.201 of 1969.



### References

1. State Board of Ethics, Opinion 78-EA-5, page 2
2. Public Act 196 of 1973
3. Public Act 442 of 1976
4. Form HEW-539 (9/70) Standards of Conduct, Sec. 73.735-301, page 3
5. Op. cit. 302
6. Op. cit. 303
7. Op. cit. 401
8. Enrolled House Bill 5078 of 1978, Sec. 2(5)
9. Form HEW-539 Sec. 73.735-501, page 9
10. 45 CFR Part 74.160-162, volume 43 #149 (8/2/78)
11. Public Act 169 of 1976

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