

INNOVATIVE INDUSTRIES

CODE OF CONDUCT

Purpose:

Innovative Industries' mission is to provide programs and services to people with disabilities that will enhance their independence at home and at work. The purpose of a code of conduct is to provide guidelines for everyone involved with Innovative Industries that will help them achieve their part of the organization's mission in an efficient, effective and ethical manner. Everyone involved in providing programs and services, whether they are staff members, Board members or volunteers, is expected to understand and adhere to this Code. This Code applies to ~~both~~ Innovative Industries, CARE, and SS of SCI. Any references to "Innovative Industries" or "company" includes all subsidiary companies and affiliates.

Guiding Principle:

The guiding principle is that all people, including staff members, consumers, Board members and all others, are to be treated with dignity, respect, honesty and courtesy at all times. Each individual needs to be as aware of how the other person might feel as he/she is aware of how he/she feels in the course of the interaction.

I. Compliance with Applicable Laws and Company Policy:

Innovative Industries staff, volunteers and Board of Directors are expected to be familiar with all laws and regulations, as well as company policies, as they relate to the duties and responsibilities associated with different jobs and roles. It is the responsibility of management to provide basic information to all staff, consumers, volunteers and Board members. It is the responsibility of staff members, consumers and volunteers to seek guidance from managers in situations where boundaries, roles or responsibilities are unclear. It is the responsibility of managers to seek guidance from each other, the President and the Board when necessary. It is the responsibility of the Board to hold appropriate discussions, to seek outside advice when necessary, and to make clear decisions regarding situations that require clarification. Some laws and policies must be understood and adhered to by everyone. Common laws and policies include but are not limited to, the following:

- **Employment Laws:**
Innovative promotes the principles and practices of equal employment opportunity. Innovative and its staff do not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, age, physical handicap or disability, veteran status, marital status, status with regard to public assistance, or any other status which is determined to be protected by law. Harassment of any type(sexual or otherwise) will not be tolerated by anyone associated with Innovative and its subsidiaries. Wage and Hour rules govern the payment of wages and benefits for everyone who earns a paycheck from Innovative Industries.

- **Environmental, Health and Safety Laws:**
Innovative will comply with all applicable federal, state and local environment laws. Staff must be aware of OSHA regulations which apply to the type of work they are responsible for and must ensure that consumers are aware of safety procedures and precautions in each work area. Each employee must abide by the safety rules and policies of Innovative Industries, the Worker's Compensation regulations, policies and practices and participate in applicable safety training.

- **Laws regarding treatment of consumers:**
Staff members are expected to act professionally when interacting with consumers. Staff members are expected to treat all fellow staff members and consumers with dignity and respect. Staff members are considered “mandatory reporters” for adult abuse. Staff members are expected to follow established procedures for reporting suspected abuse. Consumers’ rights are to be respected and understood. Since consumers are enrolled in our programs because they have disabilities that may affect their ability to make informed decisions and judgements, it is the responsibility of staff members to determine appropriate boundaries for relationships both in and beyond the workplace. In general, relationships beyond the workplace are discouraged. Staff members are encouraged to discuss any relationship with a consumer that occurs outside the workplace with his/her manager. Intimate relationships, including sexual relationships of any kind, between staff and consumers will result in termination of employment. Staff members may not be named guardian or payee for a consumer. Innovative Industries has occasionally worked with Social Security and agreed to assign the duties of being payee for a consumer to a particular staff member as part of that staff member’s regular job responsibilities.

- **Laws regarding waste, fraud and abuse that may apply to not-for-profit organizations.**
While the current Sarbane-Oxley legislation does not specifically apply to not-for-profit organizations, the policy of Innovative Industries and its subsidiaries is that waste, fraud and abuse will not be tolerated under any circumstances in any aspect of our business dealing with consumers, Board members, staff or the public. Individuals who report what they believe to be legitimate examples of waste, fraud or abuse will be free from any reprisals for reporting. Once a situation has been reported, the President must be notified immediately, unless the President is implicated. In that case the Chair of the Board of Directors is to be notified immediately. If there is concern that the Board is involved, the situation should be reported immediately to the CPC for the County, to the Department of Human Services, and to the Department of Inspections and Appeals. If the reporting is done internally, the President or the Board Chair shall immediately investigate the situation, take appropriate action and make a report to the full Board or to the Executive Committee of the Board within two weeks. The Executive Committee and/or the full Board will determine whether any additional action must be taken at that time and will direct those efforts.

II. Board/Staff Relationships:

- In general, the role of the Board is to determine the mission of the organization, to determine the direction of the organization, to set policy to achieve the mission and direction, to hire the President and to delegate the work of Innovative to the President and staff.
- In general, the role of the President and the staff is to perform the work necessary to carry out the mission, direction and policies set by the Board.
- Both groups need to understand and respect the roles of the other and behave in a manner consistent with those roles.
- It is expected that Board and staff members may have personal, social and business relationships that are separate from their relationship as Innovative Board and staff members.
- In their roles as Board and staff members, they are expected to adhere to the following guidelines:
 1. Complaints from Board members about any aspect of the operation of Innovative Industries should be directed to the Board Chair, not to staff or the President. The Board Chair should discuss the situation with the President and the two should agree on a course of action.
 2. Concerns of staff should be directed first to the staff member’s manager, or if the manager has already been approached, the President. Board members should not be approached directly by staff members. If Board members are approached by staff, they

- should remind the staff member that there is an internal chain of command that must be followed and, if necessary, a grievance procedure they may use. Board members should tell the staff member to use the procedures available or to desist.
3. Staff members are to avoid going around managers and the President to take a complaint to a Board member.
 4. Board members should avoid going around the Chair of the Board or the President to deal directly with a staff member.

Board Responsibilities:

- ◆ Board members shall not reveal differences of position between or among members to persons outside the Board.
- ◆ All requests for data not regularly made available shall be made through the President, not through employees, independent contractors, or clients. Data received shall not be revealed to anyone except other Board members.
- ◆ Decisions made by the Board shall not be criticized or opposed by Board members to staff, clients, stakeholders or the general public, either in fact or in attitude.
- ◆ Every member shall deal with every other member in good faith and fair play in expressing views, questions, concerns, positions or activities relating to Innovative's policies, rates, charges, and programs.
- ◆ Board member communication with employees other than the President, if made at all, shall be courteous and casual and not for the purpose of influencing an employee's position or attitude in regard to management, operational and employee relations, personal issues, or seeking information not currently available to the entire Board.
- ◆ Every Board member shall: review the agenda and familiarize him/herself with the written information; arrive promptly and be attentive; give notice if unable to attend the meeting; make brief and concise comments; ask meaningful questions; question if proposals are in accordance with applicable law and company By-Laws and policies; and ask to have the votes recorded if s/he believes the majority's actions might be inadvisable, improper or illegal.
- ◆ No Board member shall ever: conspire to "railroad" decisions by meeting with others ahead of time; hesitate to ask for more information in order to make a sound decision; permit interpersonal conflicts to dominate meetings; engage in personal attacks, ridicule or buffoonery that offends and creates lasting tensions; assign individual members to deliver "executive session" decisions to the President since this is the function of the whole Board.
- ◆ Explain and promote Innovative's programs and services to the public, social groups, educational and civic organizations.
- ◆ Understand that the Board's function is to direct Innovative by approving its mission, policies, objectives, goals, plans, programs and budgets, but not to manage or direct the day to day activities.
- ◆ Recognize that the Board has an oversight function to be exercised in consultation with the President and only in Board meetings.
- ◆ Support Board efforts to set performance standards for the organization and for themselves and to appraise Board performance annually.
- ◆ Support and participate in Board orientation and training.
- ◆ Board members shall not attempt to obtain information from staff or clients in order to gain advantage in a Board meeting.
- ◆ Board members shall not disclose information gained in Board meetings to others.
- ◆ Board members shall not give orders regarding daily activities to the President or other staff.
- ◆ Board members shall not question staff, other than the President, regarding internal situations or company problems.
- ◆ Board members shall not deal with employees except through the President.

- ◆ Board members shall not investigate or audit Company operations without Board approval.
- ◆ Board members shall adopt a meaningful executive compensation plan and other compensation plans that ensure internal equity and enable Innovative to recruit and retain the best personnel available.

III. Conflicts of Interest

- It is expected that both staff and Board members may have business, social and personal interests that are separate from their relationship to Innovative Industries. At times Innovative's interests and the Board member's or employee's interests may coincide or be diametrically opposed. Both staff and Board members are expected to adhere to the following guidelines:
 1. Both staff and Board members are expected to avoid situations in which their loyalties are divided between their personal interests and Innovative's best interest.
 2. Neither staff nor Board members may use their positions with Innovative for personal gain or gain for their outside business interests.
 3. Both staff and Board members are expected to avoid the appearance as well as the reality of a conflict of interest inasmuch as that is possible.
 4. Potential conflicts are to be acknowledged to managers (if an employee) and the Board (if a Board member) as soon as they are recognized.
 5. Business relationships between Board members, staff and consumers are generally discouraged. If they occur, they need to be acknowledged, and every precaution taken to assure that everyone, especially a consumer, is treated fairly and honestly.
- Board members are expected to abide by the conflict of interest provision in the Innovative Industries, Inc. By-Laws. Staff are expected to abide by the conflict of interest statement in the Personnel Policies.

IV. Confidentiality

Staff and Board members are responsible for ensuring that confidentiality is maintained in several different areas:

- *Consumers:*
 1. Confidentiality regarding consumer information is to be scrupulously maintained according to the laws of the state of Iowa. Without a release, no information regarding a consumer is to be disclosed to anyone outside of Innovative Industries. Information generated by Innovative staff may be disclosed upon receipt of a properly executed release. Consumers or guardians may request copies of any information in their files and are to be given such information upon request.
- *Staff*
 2. Most aspects of staff employment are not considered confidential in regard to the law, although Innovative Industries does follow generally accepted business practices and does not make most information readily available to the public.
 3. Some aspects of employment, such as immigration status and medical information must be kept separately from the personnel file. Innovative maintains such information in a separate file.
 4. Personnel records are considered the property of Innovative and will be retained by Innovative in accordance with the applicable law. Staff may request copies of all documents in their personnel files at any time and are to be given copies upon request.
 5. Some aspects of employment, such as wages and benefits, are not protected by law, but staff privy to such information about other staff (for instance, the payroll clerk) are prohibited from discussing such information with anyone other than the employee to whom it pertains or the appropriate management staff, unless required by law to do so.

6. Information regarding current staff will be confirmed in response to requests from outside organizations (confirmation of employment for a loan, for instance) or provided in response to a legal document (such as a garnishment of wages).
7. Innovative will respond to requests for information from potential employers regarding former staff. Only staff designated by the President may release information regarding former staff. Some assurance that the former employee is aware of the request will be required, and a release is preferred. Information regarding dates of employment, wage levels, and job duties will be provided.

V. Business Customers

The fact that we do business with individuals and industry is public and we often publicize the fact of such relationships for our mutual benefit. However, the details of our business relationships and contractual arrangements with other businesses are kept confidential by Innovative. No employee may disclose information regarding subcontract business to persons who are not authorized by existing law, rule or contract under which Innovative Industries is funded. Innovative Industries staff will follow applicable laws, rules and accreditation standards in the process of bidding jobs for customers. This shall apply to all work performed by Innovative Industries in-house or in the community for any employer. Innovative Industries staff will follow all applicable laws, rules and accreditation standards in the process of establishing Community Based Assessment sites and in making Supported Employment placements and Selective Placements. Innovative Industries staff will follow all applicable rules, laws and accreditation standards in establishing pay rates for consumers.

VI. Suppliers

All staff engaged in the practice of purchasing goods and services for Innovative are obligated to seek the best and most cost-effective products and services. This is not to be interpreted to mean that the lowest price always wins the bid. All bidders are to be treated fairly and equitably.

VII. Political Contributions

The law prohibits not-for-profit organizations from making political contributions. Staff and Board members are expected to comply with federal, state and local legislation regarding individual political contributions and must avoid the impression that they are giving a contribution in the name of Innovative Industries. Innovative Industries staff members frequently discuss issues regarding our industry with political figures and invites politicians to visit program sites. In all cases, Innovative Industries staff members are to abide by all rules and laws governing such interactions.

VIII. Overall Honesty and Fairness

Staff and Board members are prohibited from misusing company funds, property or other assets as well as creating false or misleading books and records. Staff and Board members are required to disclose direct or indirect personal interests (financial or otherwise) in organizations with which the company conducts or competes for business. Staff and Board members have the responsibility to report all suspected violations of this Code. No employee or Board member will suffer adverse actions or career disadvantage for reporting in good faith a suspected violation of this Code. Actions in violation of this Code may result in disciplinary action, up to and including termination of employment or Board seat. Violations of this Code by Board members are to be reported to the Board Chair who will convene the Executive Committee to determine a resolution. Violations of this Code by staff members are to be reported to that staff member's manager who will conduct any necessary investigation and determine a resolution. Staff members may proceed through the Grievance Procedure if they wish.