Department for Local Government

Code of Conduct

The Department for Local Government code of conduct policy is defined under Kentucky Revised Statute (KRS) 11A.001 the Executive Branch Code of Ethics. KRS 11A.001 code of conduct policies are set forth for a public servant shall work for the benefit of the people of the Commonwealth. The code of conduct principles of ethical behavior are outlined in the attached document recognize that public office is a public trust and that the proper operation of democratic government is set forth in attached.

11A.001 Short title for chapter.

This chapter may be cited as the "Executive Branch Code of Ethics."

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 287, sec. 1, effective July 14, 1992.

11A.005 Statement of public policy.

(1) It is the public policy of this Commonwealth that a public servant shall work for the benefit of the people of the Commonwealth. The principles of ethical behavior contained in this chapter recognize that public office is a public trust and that the proper operation of democratic government requires that:

(a) A public servant be independent and impartial;

(b) Government policy and decisions be made through the established processes of government;

(c) A public servant not use public office to obtain private benefits; and

(d) The public has confidence in the integrity of its government and public servants.

(2) The principles of ethical behavior for public servants shall recognize that:

(a) Those who hold positions of public trust, and members of their families, also have certain business and financial interests;

(b) Those in government service are often involved in policy decisions that pose a potential conflict with some personal financial interest; and

(c) Standards of ethical conduct for the executive branch of state government are needed to determine those conflicts of interest which are substantial and material or which, by the nature of the conflict of interest, tend to bring public servants into disrepute.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 287, sec. 2, effective July 14, 1992.

11A.010 Definitions for chapter.

As used in this chapter, unless the context otherwise requires:

(1) "Business" means any corporation, limited liability corporation, partnership, limited liability partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust, or any legal entity through which business is conducted for profit;

(2) "Commission" means the Executive Branch Ethics Commission;

(3) "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another;

(4) "Family" means spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister;

(5) "Gift" means a payment, loan, subscription, advance, deposit of money, services, or anything of value, unless consideration of equal or greater value is received; "gift" does not include gifts from family members, campaign contributions, or door prizes available to the public;

(6) "Income" means any money or thing of value received or to be received as a claim on future services, whether in the form of a fee, salary, expense allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, or any other form of compensation or any combination thereof;

(7) "Officer" means all major management personnel in the executive branch of state government, including the secretary of the cabinet, the Governor's chief executive officers, cabinet secretaries, deputy cabinet secretaries, general counsels, commissioners, deputy commissioners, executive directors, principal assistants, division directors, members and full-time chief administrative officers of the Parole Board, Board of Tax Appeals, Board of Claims, Kentucky Retirement Systems board of trustees, Public Service Commission, Worker's Compensation Board and its administrative law judges, the Kentucky Occupational Safety and Health Review Commission, the Kentucky Board of Education, the Council on Postsecondary Education, and any person who holds a personal service contract to perform on a full-time basis for a period of time not less than six (6) months a function of any position listed in this subsection;

(8) "Official duty" means any responsibility imposed on a public servant by virtue of his position in the state service;

(9) "Public servant" means:

   (a) The Governor;

   (b) The Lieutenant Governor;

   (c) The Secretary of State;

(d) The Attorney General;

(e) The Treasurer;

(f) The Commissioner of Agriculture;

(g) The Auditor of Public Accounts; and

(h) All employees in the executive branch including officers as defined in subsection (7) of this section and merit employees;

(10) "Agency" means every state office, cabinet, department, board, commission, public corporation, or authority in the executive branch of state government. A public servant is employed by the agency by which his appointing authority is employed, unless his agency is attached to the appointing authority's agency for administrative purposes only, or unless the agency's characteristics are of a separate independent nature distinct from the appointing authority and it is considered an agency on its own, such as an independent department;

(11) "Lobbyist" means any person employed as a legislative agent as defined in KRS 6.611(22) or any person employed as an executive agency lobbyist as defined in KRS 11A.201(8);

(12) "Lobbyist's principal" means the entity in whose behalf the lobbyist promotes, opposes, or acts;

(13) "Candidate" means those persons who have officially filed candidacy papers or who have been nominated by their political party pursuant to KRS 118.105, 118.115, 118.325, or 118.760 for any of the offices enumerated in subsections (9)(a) to (g) of this section;

(14) "Does business with" or "doing business with" means contracting, entering into an agreement, leasing, or otherwise exchanging services or goods with a state agency in return for payment by the state, including accepting a grant, but not including accepting a state entitlement fund disbursement;

(15) "Public agency" means any governmental entity;

(16) "Appointing authority" means the agency head or any person whom he has authorized by law to act on behalf of the agency with respect to employee appointments;

(17) "Represent" means to attend an agency proceeding, write a letter, or communicate with an employee of an agency on behalf of someone else;

(18) "Directly involved" means to work on personally or to supervise someone who works on personally; and

(19) "Sporting event" means any professional or amateur sport, athletic game, contest, event, or race involving machines, persons, or animals, for which admission tickets are offered for sale and that is viewed by the public.

Effective: June 20, 2005

History: Amended 2005 Ky. Acts ch. 123, sec. 7, effective June 20, 2005. -- Amended 2003 Ky. Acts ch. 29, sec. 3, effective June 24, 2003. -- Amended 2000 Ky. Acts ch. 417, sec. 3, effective December 1, 2000; ch. 475, sec. 1, effective July 14, 2000; and ch. 542, sec. 5, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 429, sec. 1, effective July 15, 1998; ch. 431, sec. 2, effective July 15, 1998; and ch. 602,

sec. 1, effective July 15, 1998. -- Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 149, effective May 30, 1997. -- Amended 1996 Ky. Acts ch. 362, sec. 6, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 406, sec. 7, effective July 15, 1994. -- Amended 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 71, effective September 16, 1993. -- Created 1992 Ky. Acts ch. 287, sec. 3, effective July 14, 1992.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.

Legislative Research Commission Note (12/1/2000). The contingency on the effectiveness of this statute set by 2000 Ky. Acts ch. 417, sec. 18, was met, the voters of the Commonwealth having ratified at the general election on November 7, 2000, a constitutional amendment (see 2000 Ky. Acts ch. 399) abolishing the Railroad Commission.

11A.015 Agency exempt from chapter if law or administrative regulation creates its code of ethics.

An agency that is directed by statute to adopt a code of ethics shall be exempt from KRS Chapter 11A upon the effective date of an Act of the General Assembly creating the agency's code of ethics or upon the effective date of an administrative regulation that creates the agency's code of ethics.

Effective: July 14, 2000

History: Created 2000 Ky. Acts ch. 475, sec. 5, effective July 14, 2000.

11A.020 Public servant prohibited from certain conduct -- Exception -- Disclosure of personal or private interest.

(1) No public servant, by himself or through others, shall knowingly:

(a) Use or attempt to use his influence in any matter which involves a substantial conflict between his personal or private interest and his duties in the public interest;

(b) Use or attempt to use any means to influence a public agency in derogation of the state at large;

(c) Use his official position or office to obtain financial gain for himself or any members of the public servant's family; or

(d) Use or attempt to use his official position to secure or create privileges, exemptions, advantages, or treatment for himself or others in derogation of the public interest at large.

(2) If a public servant appears before a state agency, he shall avoid all conduct which might in any way lead members of the general public to conclude that he is using his official position to further his professional or private interest.

(3) When a public servant abstains from action on an official decision in which he has or may have a personal or private interest, he shall disclose that fact in writing to his superior, who shall cause the decision on these matters to be made by an impartial third party.

(4) The prohibitions imposed by subsection (1)(c) of this section shall not apply to Professional Golfers' Association class A members who teach golf lessons and receive a fee or lesson charge at golf courses owned and operated by the Kentucky Department of Parks. Instruction provided by an employee of the Commonwealth shall only be given while the employee is on his or her own personal time. The commissioner of the Department of Parks shall promulgate administrative regulations to establish guidelines for the process by which Professional Golfers' Association class A members are approved to teach golf lessons at Kentucky Department of Parks-owned golf courses. The exception granted by this subsection is in recognition of the benefits that will accrue to the Kentucky Department of Parks due to increased participation at state-owned golf courses.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 381, sec. 1, effective July 15, 1998. -- Created 1992 Ky. Acts ch. 287, sec. 4, effective July 14, 1992.

11A.030 Considerations in determination to abstain from action on official decision -- Advisory opinion.

In determining whether to abstain from action on an official decision because of a possible conflict of interest, a public servant should consider the following guidelines:

(1) Whether a substantial threat to his independence of judgment has been created by his personal or private interest;

(2) The effect of his participation on public confidence in the integrity of the executive branch;

(3) Whether his participation is likely to have any significant effect on the disposition of the matter;

(4) The need for his particular contribution, such as special knowledge of the subject matter, to the effective functioning of the executive branch; or

(5) Whether the official decision will affect him in a manner differently from the public or will affect him as a member of a business, profession, occupation, or group to no greater extent generally than other members of such business, profession, occupation, or group. A public servant may request an advisory opinion from the Executive Branch Ethics Commission in accordance with the commission's rules of procedure.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 287, sec. 5, effective July 14, 1992.

11A.040 Acts prohibited for public servant or officer -- Exception.

(1) A public servant, in order to further his own economic interests, or those of any other person, shall not knowingly disclose or use confidential information acquired in the course of his official duties.

(2) A public servant shall not knowingly receive, directly or indirectly, any interest or profit arising from the use or loan of public funds in his hands or to be raised through any state agency.

(3) A public servant shall not knowingly act as a representative or agent for the Commonwealth or any agency in the transaction of any business or regulatory action with himself, or with any business in which he or a member of his family has any interest greater than five percent (5%) of the total value thereof.

(4) A public servant shall not knowingly himself or through any business in which he owns or controls an interest of more than five percent (5%), or by any other person for his use or benefit or on his account, undertake, execute, hold, bid on, negotiate, or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made, entered into, awarded, or granted by the agency by which he is employed or which he supervises, subject to the provisions of KRS 45A.340. This provision shall not apply to:

   (a) A contract, purchase, or good faith negotiation made pursuant to KRS Chapter 416 relating to eminent domain; or

   (b) Agreements which may directly or indirectly involve public funds disbursed through entitlement programs; or

   (c) A public servant's spouse or child doing business with any state agency other than the agency by which the public servant is employed or which he supervises; or

   (d) Purchases from a state agency that are available on the same terms to the general public or that are made at public auction; or

   (e) Sales of craft items to a state park by interim state employees designated as craftspersons under KRS 148.257.

(5) A public servant shall not knowingly accept compensation, other than that provided by law for public servants, for performance of his official duties without the prior approval of the commission.

(6) A former officer or public servant listed in KRS 11A.010(9)(a) to (g) shall not, within six (6) months of termination of his employment, knowingly by himself or through any business in which he owns or controls an interest of at least five percent (5%), or by any other person for his use or benefit or on his account, undertake, execute, hold, bid on, negotiate, or enjoy, in whole or in part, any contract, agreement, lease, sale, or purchase made, entered into, awarded, or granted by the agency by which he was employed. This provision shall not apply to a contract, purchase, or good faith negotiation made under KRS Chapter 416 relating to eminent domain or to agreements that may directly or indirectly involve public funds disbursed through entitlement programs. This provision shall not apply to purchases from a state agency that are available on the same terms to the general

public or that are made at public auction. This provision shall not apply to former officers of the Department of Public Advocacy whose continued representation of clients is necessary in order to prevent an adverse effect on the client.

(7) A present or former officer or public servant listed in KRS 11A.010(9)(a) to (g) shall not, within six (6) months following termination of his office or employment, accept employment, compensation, or other economic benefit from any person or business that contracts or does business with, or is regulated by, the state in matters in which he was directly involved during the last thirty-six (36) months of his tenure. This provision shall not prohibit an individual from returning to the same business, firm, occupation, or profession in which he was involved prior to taking office or beginning his term of employment, or for which he received, prior to his state employment, a professional degree or license, provided that, for a period of six (6) months, he personally refrains from working on any matter in which he was directly involved during the last thirty-six (36) months of his tenure in state government. This subsection shall not prohibit the performance of ministerial functions, including but not limited to filing tax returns, filing applications for permits or licenses, or filing incorporation papers, nor shall it prohibit the former officer or public servant from receiving public funds disbursed through entitlement programs.

(8) A former public servant shall not act as a lobbyist or lobbyist's principal in matters in which he was directly involved during the last thirty-six (36) months of his tenure for a period of one (1) year after the latter of:

(a) The date of leaving office or termination of employment; or

(b) The date the term of office expires to which the public servant was elected.

(9) A former public servant shall not represent a person or business before a state agency in a matter in which the former public servant was directly involved during the last thirty-six (36) months of his tenure, for a period of one (1) year after the latter of:

(a) The date of leaving office or termination of employment; or

(b) The date the term of office expires to which the public servant was elected.

(10) Without the approval of his appointing authority, a public servant shall not accept outside employment from any person or business that does business with or is regulated by the state agency for which the public servant works or which he supervises, unless the outside employer's relationship with the state agency is limited to the receipt of entitlement funds.

(a) The appointing authority shall review administrative regulations established under KRS Chapter 11A when deciding whether to approve outside employment for a public servant.

(b) The appointing authority shall not approve outside employment for a public servant if the public servant is involved in decision-making or recommendations concerning the person or business from which the public servant seeks outside employment or compensation.

(c) The appointing authority, if applicable, shall file quarterly with the Executive Branch Ethics Commission a list of all employees who have been approved for outside employment along with the name of the outside employer of each.

(11) The prohibitions imposed by subsection (5) or (10) of this section shall not apply to Professional Golfers' Association class A members who teach golf lessons and receive a fee or lesson charge at golf courses owned and operated by the Kentucky Department of Parks. Instruction provided by an employee of the Commonwealth shall only be given while the employee is on his or her own personal time. The commissioner of the Department of Parks shall promulgate administrative regulations to establish guidelines for the process by which Professional Golfers' Association class A members are approved to teach golf lessons at Kentucky Department of Parks-owned golf courses. The exception granted by this subsection is in recognition of the benefits that will accrue to the Kentucky Department of Parks due to increased participation at state-owned golf courses.

Effective: July 12, 2006

History: Amended 2006 Ky. Acts ch. 68, sec. 1, effective July 12, 2006. -- Amended 2000 Ky. Acts ch. 417, sec. 4, effective December 1, 2000; and ch. 475, sec. 2, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 381, sec. 2, effective July 15, 1998; ch. 429, sec. 2, effective July 15, 1998; ch. 430, sec. 1, effective July 15, 1998; and ch. 602, sec. 2, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 367, sec. 1, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 434, sec. 3, effective July 15, 1994. – Created 1992 Ky. Acts ch. 287, sec. 6, effective July 14, 1992.

Legislative Research Commission Note (12/1/2000). The contingency on the effectiveness of this statute set by 2000 Ky. Acts ch. 417, sec. 18, was met, the voters of the Commonwealth having ratified at the general election on November 7, 2000, a constitutional amendment (see 2000 Ky. Acts ch. 399) abolishing the Railroad Commission.

Legislative Research Commission Note (7/15/98). A reference to "KRS 11A.010(9)(a) to (i)" in the former subsection (6) of this statute (now subsection (7)) has been changed in codification to "KRS 11A.010(9)(a) to (h)" under KRS 7.136(1)(e) and (h). 1998 Ky. Acts ch. 429, sec. 1, eliminated the former paragraph (g) of KRS 11A.010(9) and renumbered the remaining subsections accordingly. Other actions within Acts Chapter 429 used the "(a) to (h)" range in new language and modified existing language to use the "(a) to (h)" range. It seems clear from context, and this has been confirmed by the drafter of the bill, that this change was intended here as well but was inadvertently overlooked.

11A.045 Acceptance of gifts by public servants permitted under certain circumstances.

(1) No public servant, his spouse, or dependent child knowingly shall accept any gifts or gratuities, including travel expenses, meals, alcoholic beverages, and honoraria, totaling a value greater than twenty-five dollars ($25) in a single calendar year from any person or business that does business with, is regulated by, is seeking grants from, is involved in litigation against, or is lobbying or attempting to influence the actions of the agency in which the public servant is employed or which he supervises, or from any group or association which has as its primary purpose the representation of those persons or businesses. Nothing contained in this subsection shall prohibit the commission from authorizing exceptions to this subsection where such exemption would not create an appearance of impropriety.

(2) Nothing in KRS Chapter 11A shall prohibit or restrict the allocation of or acceptance by a public servant of a ticket for admission to a sporting event if the ticket or admission is paid for by the public servant at face value or is paid for at face value by the individual to whom the ticket is allocated.

(3) Nothing in KRS 11A.001 to 11A.110 shall prohibit or restrict the acceptance by a public servant of the Cabinet for Economic Development or by any other public servant working directly with the cabinet on an economic incentive package of anything of economic value as a gift or gratuity, if the gift or gratuity:

(a) Was not solicited by the public servant;

(b) Was accepted by the public servant in the performance of his or her official duties and in compliance with guidelines to be established by the Kentucky Economic Development Partnership which shall include requirements that all gifts or gratuities of a reportable value under KRS 11A.050(3)(k) be registered with the Kentucky Economic Development Partnership and with the Executive Branch Ethics Commission and that all tangible property with a value in excess of twenty-five dollars ($25), other than food and beverages consumed on the premises, shall be turned over to the Cabinet for Economic Development within thirty (30) days of receipt. In filing reports of gifts or gratuities with the Executive Branch Ethics Commission, the Cabinet for Economic Development may delete information identifying the donors if the cabinet believes identification of the donors would damage economic development; and

(c) Was not accepted under circumstances which would create a violation of KRS Chapter 521.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 475, sec. 3, effective July 14, 2000; and ch. 542, sec. 6, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 431, sec. 1, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 450, sec. 36, effective July 15, 1994.

Legislative Research Commission Note (7/14/2000). This section was amended by 2000 Ky. Acts chs. 475 and 542, which do not appear to be in conflict and have been codified together.

11A.050 Financial disclosure by officers, candidates, and public servants.

(1) Each officer, each public servant listed in KRS 11A.010(9)(a) to (g), and each candidate shall file a statement of financial disclosure with the commission, as follows:

(a) Each officer and each public servant listed in KRS 11A.010(9)(a) to (g) who occupies his position during any portion of a calendar year shall file the statement for that portion of the calendar year he occupied the position on or before April 15 of the following year, whether or not he remains an officer or public servant as listed in KRS 11A.010(9)(a) to (g).

(b) Each officer and public servant listed in KRS 11A.010(9)(a) to (g) who does not remain an officer or public servant listed in KRS 11A.010(9)(a) to (g) for the entire calendar year shall file the statement for the portion of the calendar year that the person served as an officer or public servant listed in KRS 11A.010(9)(a) to (g). The statement shall be filed with the commission within thirty (30) days after the date the person no longer serves as an officer or public servant listed in KRS 11A.010(9)(a) to (g).

(c) A candidate shall file the statement reflecting the previous calendar year with the commission no later than February 15.

(2) The statement of financial disclosure shall be filed on a form prescribed by the commission. The commission shall provide copies of the form upon request without charge.

(3) The statement shall include the following information for the preceding calendar year:

(a) Name and entire residential and business address of filer;

(b) Title of position or office whereby filing is required;

(c) Any other occupations of filer and spouse;

(d) Positions held by the filer or his spouse in any business, and the name and address of the business;

(e) Names and addresses of all businesses in which the filer, his spouse, or dependent children has or had an interest of ten thousand dollars ($10,000) at fair market value or five percent (5%) ownership interest or more;

(f) The name and address of any source of gross income exceeding one thousand dollars ($1,000) from any one (1) source to the filer, his spouse, or dependent child, as well as information concerning the nature of the business, and the form of the income;

(g) Sources of retainers received by the filer or his spouse relating to matters of the state agency for which the filer works or supervises or of any other entity of state government for which the filer would serve in a decision-making capacity, including each source's name and address;

(h) Any representation or intervention for compensation by the filer or his spouse for any person or business before a state agency for which the filer works or supervises or before any entity of state government for which the filer would

serve in a decision-making capacity, including the name and address of the person or business;

(i) All positions of a fiduciary nature held by the filer or his spouse in a business, including the name and address of the business;

(j) Information, including a street address or location, regarding any real property in which there is an interest of ten thousand dollars ($10,000) or more held by the filer, his spouse, or dependent children;

(k) Sources, including each source's name and address, of gifts of money or property with a retail value of more than two hundred dollars ($200) from any one (1) source to the filer, his spouse, or dependent children, except those from a member of the filer's family; and

(l) Identity, including an address, of creditors owed more than ten thousand dollars ($10,000), except debts arising from the purchase of consumer goods.

Paragraphs (a) to (l) of this subsection shall not require disclosure of specific dollar amounts or of privileged information.

Effective: December 1, 2000

History: Amended 2000 Ky. Acts ch. 417, sec. 5, effective December 1, 2000; and ch. 475, sec. 4, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 429, sec. 3, effective July 15, 1998. -- Amended 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 72, effective September 16, 1993. -- Created 1992 Ky. Acts ch. 287, sec. 7, effective July 14, 1992.

Legislative Research Commission Note (12/1/2000). The contingency on the effectiveness of this statute set by 2000 Ky. Acts ch. 417, sec. 18, was met, the voters of the Commonwealth having ratified at the general election on November 7, 2000, a constitutional amendment (see 2000 Ky. Acts ch. 399) abolishing the Railroad Commission.

Legislative Research Commission Note (7/15/98). A reference to "KRS 11A.010(9)(a) to (i)" in subsection (1) of this statute has been changed in codification to "KRS 11A.010(9)(a) to (h)" under KRS 7.136(1)(e) and (h). 1998 Ky. Acts ch. 429, sec. 1, eliminated the former paragraph (g) of KRS 11A.010(9) and renumbered the remaining subsections accordingly. Other actions within Acts Chapter 429, including in the section that amended this statute, used the "(a) to (h)" range in new language and modified existing language to use the "(a) to (h)" range. It seems clear from context, and this has been confirmed by the drafter of the bill, that this change was intended here as well but was inadvertently overlooked.

11A.055 Raising of funds for certain activities permitted.

(1) Any provision of KRS Chapter 11A to the contrary notwithstanding, a state agency or a public servant may raise funds, either individually or as a department or agency, for a charitable nonprofit organization granted a tax exemption by the Internal Revenue Service under Section 501c of the Internal Revenue Code without violating the provisions of this chapter. Raising of funds shall include but not be limited to holding events for the benefit of the charitable organization, contacting potential donors, providing prizes, and engaging in other forms of fundraising and providing the funds thus raised to the charitable organization.

(2) Any provision of KRS Chapter 11A to the contrary notwithstanding, a state agency or a public servant may raise funds, either individually or as a department or agency, for crime prevention, drug and alcohol abuse prevention, and traffic safety programs without violating the provisions of this chapter. Raising of funds shall include but not be limited to holding events for the benefit of a program specified in this section, contacting potential donors, providing prizes, and engaging in other forms of fundraising and providing the funds thus raised to the program.

Effective: April 9, 2002

History: Created 2002 Ky. Acts ch. 290, sec. 2, effective April 9, 2002.

11A.060 Executive Branch Ethics Commission -- Membership -- Officers -- Compensation -- Removal -- Meetings.

(1) The Executive Branch Ethics Commission is hereby established.

(2) The commission shall be composed of five (5) members appointed by the Governor.

(3) Members of the commission shall serve staggered terms of four (4) years. Of the initial members appointed as provided in this section, one (1) member shall serve a term of one (1) year, one (1) member shall serve a term of two (2) years, one (1) member shall serve a term of three (3) years, and two (2) members shall be appointed for terms of four (4) years. Thereafter, all appointments shall be for four (4) years.

(4) The commission shall elect from its membership a chairman and vice chairman. In the absence of the chairman or in the event of a vacancy in that position, the vice chairman shall serve as chairman.

(5) A member of the commission shall receive one hundred dollars ($100) per day for attending meetings and shall be reimbursed for actual and necessary expenses incurred in the performance of duties.

(6) All members shall be registered voters of the state.

(7) Members of the commission shall be removed by the Governor for cause only, including substantial neglect of duty and inability to discharge the powers and duties of office.

(8) A quorum shall consist of three (3) or more members. An affirmative vote of three (3) or more members shall be necessary for commission action.

(9) The commission shall meet at the call of the chairman or a majority of its members.

(10) The commission shall be attached to the Finance and Administration Cabinet for administrative purposes only.

Effective: June 25, 2009

History: Amended 2009 Ky. Acts ch. 12, sec. 17, effective June 25, 2009. -- Amended 1998 Ky. Acts ch. 602, sec. 3, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 208, sec. 1, effective July 15, 1994. – Created 1992 Ky. Acts ch. 287, sec. 8, effective July 14, 1992.

11A.070 Executive director and employees of commission -- Use of services and facilities of state agencies.

The commission may employ an executive director and any other employees, agents, and consultants it considers necessary, and may prescribe their duties, fix their compensation, and provide for reimbursement of their expenses within the amount available therefor by appropriation. The commission may also engage outside professional counsel it considers necessary. The commission and its staff may also make use of the services and facilities of the office of the Attorney General or of any other state agency.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 287, sec. 9, effective July 14, 1992.

11A.080 Investigation of complaints -- Procedures -- Resolution.

(1) (a) Upon a complaint signed under penalty of perjury by any person, or upon its own motion, the commission shall conduct a preliminary investigation of any alleged violation of this chapter.

(b) The preliminary investigation shall begin not later than ten (10) days after the next commission meeting following the receipt of the sworn complaint, or, if the investigation is initiated by the commission's own motion, not later than ten (10) days after the date of the adoption of the motion.

(c) Within ten (10) days of the commencement of the preliminary investigation, the commission shall forward a copy of the complaint, if one has been filed, or a statement of possible violations being investigated, and a general statement of the applicable law to the person alleged to have committed a violation.

(2) All commission proceedings and records relating to a preliminary investigation shall be confidential until a final determination is made by the commission, except:

(a) The commission may turn over to the Attorney General, the United States Attorney, or the Commonwealth's Attorney of the jurisdiction in which the offense allegedly occurred, evidence which may be used in criminal proceedings;

(b) If the alleged violator publicly discloses the existence of a preliminary investigation, the commission may publicly confirm the existence of the inquiry and, in its discretion, make public any documents which were issued to either party;

(c) If the matter being investigated was referred to the commission from another state agency, the commission may inform the referring state agency of the status of any preliminary investigation and of any action taken on the matter.

(3) If the commission determines in the preliminary investigation that the facts are not sufficient to constitute a violation of this chapter, the commission shall immediately terminate the investigation and notify in writing the complainant, if any, and the person alleged to have committed a violation. The commission may confidentially inform the alleged violator of potential violations and provide information to ensure future compliance with the law. If the alleged violator publicly discloses the existence of such action by the commission, the commission may confirm the existence of the resolution and, in its discretion, make public any documents which were issued to the alleged violator.

(4) If the commission, during the course of the preliminary investigation, finds probable cause to believe that a violation of this chapter has occurred, the commission may, upon majority vote:

(a) Due to mitigating circumstances such as lack of significant economic advantage or gain by the alleged violator, lack of significant economic loss to the state, or lack of significant impact on public confidence in government, in writing, confidentially reprimand the alleged violator for potential violations of the law and provide a copy of the reprimand to the alleged violator's appointing authority, if any. If the alleged violator publicly discloses the

existence of such an action, the commission may confirm the existence of the action and, in its discretion, make public any documents which were issued to the alleged violator; or

(b) Initiate an administrative proceeding to determine whether there has been a violation.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 475, sec. 6, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 603, sec. 1, effective July 15, 1998. -- Amended 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 73, effective September 16, 1993. -- Created 1992 Ky. Acts ch. 287, sec. 10, effective July 14, 1992.

11A.090 Subpoena power.

For the purpose of carrying out a preliminary investigation, the commission may issue subpoenas to compel the attendance and testimony of witnesses or the production of documents, books, papers, or other records. Subpoenas may be issued by the chairman or the majority of the members of the commission and shall be served in the same manner as subpoenas for witnesses in civil cases. All provisions of law relative to subpoenas issued in such cases, including compensation of witnesses, shall apply to subpoenas issued by the commission. Upon petition by the commission, any Circuit Court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpoena or order of the commission, issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as contempt thereof.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 318, sec. 14, effective July 15, 1996. -- Created 1992 Ky. Acts ch. 287, sec. 11, effective July 14, 1992.

11A.100 Procedures for administrative hearings -- Action by commission.

(1) The provisions of KRS Chapter 13B shall apply to all commission administrative hearings.

(2) All administrative hearings of the commission carried out pursuant to the provisions of this section shall be public, unless the members vote to go into executive session in accordance with KRS 61.810.

(3) The commission, upon a finding pursuant to an administrative hearing that there has been clear and convincing proof of a violation of this chapter, may:

(a) Issue an order requiring the violator to cease and desist the violation; and

(b) Issue an order requiring the violator to file any report, statement, or other information as required by this chapter; and

(c) In writing, publicly reprimand the violator for potential violations of the law and provide a copy of the reprimand to the alleged violator's appointing authority, if any; and

(d) In writing, recommend to the violator's appointing authority that the violator be removed or suspended from office or employment, and include a recommendation for length of suspension, to be approved by the appointing authority, if any; and

(e) Issue an order requiring the violator to pay a civil penalty of not more than five thousand dollars ($5,000) for each violation of this chapter.

(4) In addition to any other remedies provided by law, any violation of this chapter which has substantially influenced the action taken by any state agency in any particular matter shall be grounds for voiding, rescinding, or canceling the action on such terms as the interests of the state and innocent third persons require.

(5) The commission shall refer to the Attorney General evidence of violations of KRS 11A.040 for prosecution. The Attorney General shall have responsibility for all prosecutions under the law and may request from the commission all evidence collected in its investigation. The commission may represent itself through the general counsel in all subsequent proceedings.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 475, sec. 7, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 603, sec. 2, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 318, sec. 15, effective July 15, 1996. -- Created 1992 Ky. Acts ch. 287, sec. 12, effective July 15, 1996.

11A.110 Additional duties of commission.

The commission shall perform the following additional duties:

(1) On its own initiative or upon a signed request in writing, issue and publish advisory opinions on the requirements of this chapter for those who wish to use the opinion to guide their own conduct. If requested in writing by the person seeking the advisory opinion, the commission shall not release that person's name;

(2) Provide a continuing program of education, assistance, and information to public servants, including, but not limited to, publishing and making available to the persons subject to this chapter and the public explanatory information concerning this chapter, the duties imposed by it, and the means of enforcement;

(3) Promulgate administrative regulations in accordance with KRS Chapter 13A to implement this chapter;

(4) Prescribe forms for statements required by this chapter and furnish the forms to persons required to file the statements. The forms shall be adopted as administrative regulations or adopted by reference in an administrative regulation;

(5) Prepare and publish a manual of guidelines setting forth uniform methods of reporting for use by persons required to file under this chapter;

(6) Accept and file any information voluntarily supplied that exceeds the requirements of this chapter;

(7) Preserve the disclosure statements filed with it for four (4) years from the date of receipt;

(8) Make statements and reports filed with the commission available for public inspection and copying pursuant to KRS 61.870 to KRS 61.884 (Kentucky Open Records Law);

(9) Compile and maintain a current index of all statements filed with the commission to facilitate public access to the reports and statements;

(10) Prepare and publish reports as it may deem appropriate;

(11) Audit statements and reports filed with the commission;

(12) Make recommendations for legislation relating to governmental ethics and other matters included in this chapter as the commission deems desirable; and

(13) Prepare a biennial written report, no later than December 1 of each odd-numbered year, to the Legislative Research Commission, the Governor, and the public on the activities of the commission in the preceding two (2) fiscal years. The report shall contain the names and duties of each individual employed by the commission and a summary of commission determinations and advisory opinions. The commission shall prevent disclosure of the identity of a person involved in decisions or advisory opinions. The report may contain other information on matters within the commission's jurisdiction and recommendations for legislation as the commission deems desirable.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 429, sec. 4, effective July 15, 1998. -- Created 1992 Ky. Acts ch. 287, sec. 13, effective July 14, 1992.

11A.120 Employment of public servant by state institution of higher education.

Nothing in KRS 11A.001 to 11A.110 shall prohibit or restrict a public servant from accepting outside employment in a state institution of higher education as long as that outside employment does not interfere or conflict with the public servant's state employment duties. Nothing in this section shall prohibit or restrict a present or former public servant from accepting employment with a state institution of higher education immediately following termination of his office or employment in another state agency.

Effective: July 14, 1992

History: Created 1992 Ky. Acts ch. 287, sec. 14, effective July 14, 1992.

11A.130 Employment of officer or public servant in privatized agency by agency's operator.

Nothing in this chapter shall be construed to prohibit an officer or public servant employed by an agency that is privatized from accepting employment from the person or business which is operating that agency if the officer or public servant was not involved in making the decision to privatize or in developing the provisions of the privatization contract.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 492, sec. 6, effective July 15, 1998. -- Created 1994 Ky. Acts ch. 434, sec. 2, effective July 15, 1994.

11A.201 Definitions for KRS 11A.201 to 11A.246 and KRS 11A.990.

As used in KRS 11A.201 to 11A.246 and KRS 11A.990:

(1) "Compensation" means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another;

(2) (a) "Expenditure" means any of the following that is made to, or for the benefit of an elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or a member of the staff of any of the officials listed in this paragraph:

1. A payment, distribution, loan, advance, deposit, reimbursement, or gift of money, real estate, or anything of value, including, but not limited to, food and beverages, entertainment, lodging, transportation, or honoraria;
2. A contract, promise, or agreement to make an expenditure; or
3. The purchase, sale, or gift of services or any other thing of value.

(b) "Expenditure" does not include a contribution, gift, or grant to a foundation or other charitable organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. "Expenditure" does not include the purchase, sale, or gift of services or any other thing of value that is available to the general public on the same terms as it is available to the persons listed in this subsection. "Expenditure" does not include a payment, contribution, gift, purchase, or any other thing of value that is made to or on behalf of any elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of the officials listed in this paragraph who works for a state agency for which the executive agency lobbyist is not registered to influence;

(3) "Employer" means any person who engages an executive agency lobbyist;

(4) "Engage" means to make any arrangement, and "engagement" means arrangement, whereby an individual is employed or retained for compensation to act for or on behalf of an employer to influence executive agency decisions or to conduct any executive agency lobbying activity;

(5) (a) "Financial transaction" means a transaction or activity that is conducted or undertaken for profit and arises from the joint ownership, or the ownership, or part ownership in common of any real or personal property or any commercial or business enterprise of whatever form or nature between the following:

1. An executive agency lobbyist, his employer, a real party in interest, or a member of the immediate family of the executive agency lobbyist, his employer, or a real party in interest; and
2. Any elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of the officials listed in this subparagraph.

(b) "Financial transaction" does not include any transaction or activity described in paragraph (a) of this subsection if it is available to the general public on the same terms;

(6) "Executive agency" means the office of an elected executive official, a cabinet listed in KRS 12.250, or any other state agency, department, board, or commission controlled or directed by an elected executive official or otherwise subject to his authority. "Executive agency" does not include any court or the General Assembly;

(7) "Executive agency decision" means a decision of an executive agency regarding the expenditure of funds of the state or of an executive agency with respect to the award of a contract, grant, lease, or other financial arrangement under which those funds are distributed or allocated;

(8) (a) "Executive agency lobbyist" means any person engaged to influence executive agency decisions or to conduct executive agency lobbying activity as one (1) of his main purposes on a substantial basis.

(b) "Executive agency lobbyist" does not include an elected or appointed officer or employee of a federal or state agency, state college, state university, or political subdivision who attempts to influence or affect executive agency decisions in his fiduciary capacity as a representative of his agency, college, university, or political subdivision;

(9) (a) "Executive agency lobbying activity" means contacts made to promote, oppose, or otherwise influence the outcome of an executive agency decision by direct communication with an elected executive official, the secretary of any cabinet listed in KRS 12.250, any executive agency official, or a member of the staff of any one of the officials listed in this paragraph.

(b) "Executive agency lobbying activity" does not include any of the following:

1. The action of any person having a direct interest in executive agency decisions, if the person acting under Section 1 of the Kentucky Constitution, assembles together with other persons for their common good, petitions any person listed in paragraph (a) of this subsection for the redress of grievances or other proper purposes;

2. Contacts made for the sole purpose of gathering information contained in a public record; or

3. Appearances before public meetings of executive agencies;

(10) "Executive agency official" means an officer or employee of an executive agency whose principal duties are to formulate policy or to participate directly or indirectly in the preparation, review, or award of contracts, grants, leases, or other financial arrangements with an executive agency;

(11) "Aggrieved party" means a party entitled to resort to a remedy;

(12) "Elected executive official" means the Governor, Lieutenant Governor, Secretary of State, Auditor of Public Accounts, State Treasurer, Attorney General, and Commissioner of Agriculture;

(13) "Person" means an individual, proprietorship, firm, partnership, limited liability partnership, joint venture, joint stock company, syndicate, business, trust, estate,

company, corporation, limited liability corporation, association, club, committee, organization, or group of persons acting in concert;

(14) "Staff" means any employee of the office of the Governor, or a cabinet listed in KRS 12.250, whose official duties are to formulate policy and who exercises administrative or supervisory authority, or who authorizes the expenditure of state funds;

(15) "Real party in interest" means the person or entity on whose behalf an executive agency lobbyist is acting, if that person or entity is not the employer of the executive agency lobbyist; and

(16) "Substantial basis" means contacts which are intended to influence a decision that involves one or more disbursements of state funds in an amount of at least five thousand dollars ($5,000) per year.

Effective: December 1, 2000

History: Amended 2000 Ky. Acts ch. 417, sec. 6, effective December 1, 2000. -- Amended 1996 Ky. Acts ch. 172, sec. 1, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 45, effective September 16, 1993.

Legislative Research Commission Note (12/1/2000). The contingency on the effectiveness of this statute set by 2000 Ky. Acts ch. 417, sec. 18, was met, the voters of the Commonwealth having ratified at the general election on November 7, 2000, a constitutional amendment (see 2000 Ky. Acts ch. 399) abolishing the Railroad Commission.

11A.206 Requirements for executive agency lobbyists, their employers, and real parties in interest.

(1) An executive agency lobbyist, employer, or real party in interest shall not knowingly fail to register as required under KRS 11A.211.

(2) An executive agency lobbyist, employer, or real party in interest shall not knowingly fail to keep a receipt or maintain a record that KRS 11A.216 requires the person to keep or maintain.

(3) An executive agency lobbyist, employer, or real party in interest shall not knowingly fail to file a statement that KRS 11A.216 requires the person to file.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 172, sec. 2, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 46, effective September 16, 1993.

11A.211 Registration statements for executive agency lobbyists, their employers, and real parties in interest -- Fee -- Trust and agency account for commission operations -- Relationship of registration to state contracts.

(1) Each executive agency lobbyist, employer, and real party in interest shall file with the commission within ten (10) days following the engagement of an executive agency lobbyist, an initial registration statement showing all of the following:

(a) The name, business address, and occupation of the executive agency lobbyist;

(b) The name and business address of the employer and of any real party in interest on whose behalf the executive agency lobbyist is acting, if it is different from the employer. However, if a trade association or other charitable or fraternal organization that is exempt from federal income taxation under Section 501(c) of the Internal Revenue Code is the employer, the statement need not list the names and addresses of every member of the association or organization, so long as the association or organization itself is listed;

(c) A brief description of the executive agency decision to which the engagement relates;

(d) The name of the executive agency or agencies to which the engagement relates; and

(e) Certification by the employer and executive agency lobbyist that the information contained in the registration statement is complete and accurate.

(2) In addition to the initial registration statement required by subsection (1) of this section, each executive agency lobbyist, employer, and real party in interest shall file with the commission, not later than the last day of July of each year, an updated registration statement that confirms the continuing existence of each engagement described in an initial registration statement and that lists the specific executive agency decisions the executive agency lobbyist sought to influence under the engagement during the period covered by the updated statement, and with it any statement of expenditures required to be filed by KRS 11A.216 and any details of financial transaction required to be filed by KRS 11A.221.

(3) If an executive agency lobbyist is engaged by more than one (1) employer, the executive agency lobbyist shall file a separate initial and updated registration statement for each engagement. If an employer engages more than one (1) executive agency lobbyist, the employer shall file only one (1) updated registration statement under subsection (2) of this section, which shall contain the information required by subsection (2) of this section regarding all executive agency lobbyists engaged by the employer.

(4) (a) A change in any information required by subsection (1)(a), (b), (c), (d), or (2) of this section shall be reflected in the next updated registration statement filed under subsection (2) of this section.

(b) Within thirty (30) days following the termination of an engagement, the executive agency lobbyist who was employed under the engagement shall file written notice of the termination with the commission.

(5) Each employer of one (1) or more executive agency lobbyists, and each real party in interest, shall pay a registration fee of one hundred twenty-five dollars ($125) upon the filing of an updated registration statement. All fees collected by the commission under the provisions of this subsection shall be deposited in the State Treasury in a trust and agency fund account to the credit of the commission. These agency funds shall be used to supplement general fund appropriations for the operations of the commission and shall not lapse. No part of the trust and agency fund account shall revert to the general funds of this state.

(6) Upon registration pursuant to this section, an executive agency lobbyist shall be issued a card annually by the commission showing the executive agency lobbyist is registered. The registration card shall be valid from the date of its issuance through the thirty-first day of July of the following year.

(7) The commission shall review each registration statement filed with the commission under this section to determine if the statement contains all of the required information. If the commission determines the registration statement does not contain all of the required information or that an executive agency lobbyist, employer, or real party in interest has failed to file a registration statement, the commission shall send written notification of the deficiency by certified mail to the person who filed the registration statement or to the person who failed to file the registration statement regarding the failure. Any person so notified by the commission shall, not later than fifteen (15) days after receiving the notice, file a registration statement or an amended registration statement that includes all of the required information. If any person who receives a notice under this subsection fails to file a registration statement or an amended registration statement within the fifteen (15) day period, the commission may initiate an investigation of the person's failure to file. If the commission initiates an investigation pursuant to this section, the commission shall also notify each elected executive official and the secretary of each cabinet listed in KRS 12.250 of the pending investigation.

(8) In the biennial report published under KRS 11A.110(13), the commission shall, in the manner and form the commission determines, include a report containing statistical information on the registration statements filed under this section during the preceding biennium.

(9) If an employer who engages an executive agency lobbyist, or a real party in interest on whose behalf the executive agency lobbyist was engaged is the recipient of a contract, grant, lease, or other financial arrangement pursuant to which funds of the state or of an executive agency are distributed or allocated, the executive agency or any aggrieved party may consider the failure of the real party in interest, the employer, or the executive agency lobbyist to comply with this section as a breach of a material condition of the contract, grant, lease, or other financial arrangement.

(10) Executive agency officials may require certification from any person seeking the award of a contract, grant, lease, or financial arrangement that the person, his employer, and any real party in interest are in compliance with this section.

Effective: July 12, 2006

History: Amended 2006 Ky. Acts ch. 18, sec. 1, effective July 12, 2006. -- Amended 2000 Ky. Acts ch. 542, sec. 1, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 172, sec. 3, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 47, effective September 16, 1993.

11A.216 Statements of expenditures.

(1) Each executive agency lobbyist, employer, and real party in interest shall file with the commission, with the updated registration statement required by KRS 11A.211(2), a statement of expenditures as specified in subsections (2) and (3) of this section. An executive agency lobbyist shall file a separate statement of expenditures under this section for each employer engaging him.

(2) (a) In addition to the information required by paragraph (b) of this subsection, a statement filed by an executive agency lobbyist shall show the total amount of expenditures made by the lobbyist during the reporting period covered by the statement by the executive agency lobbyist.

(b) 1. If, during a fiscal year, the real party in interest, the employer or any executive agency lobbyist he engaged made expenditures to or on behalf of a particular elected executive official, the secretary of a cabinet listed in KRS 12.250, a particular executive agency official, or a particular member of the staff of any of those officials, the real party in interest, employer, or executive agency lobbyist also shall state the name of the official or employee on whose behalf the expenditures were made, the total amount of the expenditures made, a brief description of the expenditures made, and the approximate date the expenditures were made.

2. Expenditures shall be reported on the expenditure statement for the reporting period that includes the date on which the expenditure was made.

(3) (a) In addition to the information required by subsection (2)(b) of this section, a statement filed by a real party in interest or an employer shall show the total amount of expenditures during the period covered by the statement. As used in this subsection, "expenditures" does not include the expenses of maintaining office facilities or support services for executive agency lobbyists.

(b) An employer or real party in interest shall not be required to show any expenditure on a statement filed under this subsection if the expenditure is reported on a statement filed under subsection (2)(a) or (b) of this section by an executive agency lobbyist engaged by the employer.

(4) Any statement required to be filed under this section shall be filed at the times specified in KRS 11A.211. Each statement shall cover expenditures made during the prior fiscal year.

(5) If it is impractical or impossible for an executive agency lobbyist, employer, or real party in interest to determine exact dollar amounts or values of expenditures, reporting of good faith estimates, based on reasonable accounting procedures, constitutes compliance with this section.

(6) Executive agency lobbyists, employers, and real parties in interest shall retain receipts or maintain records for all expenditures that are required to be reported pursuant to this section. These receipts or records shall be maintained for a period

ending on the thirtieth day of June of the second fiscal year after the year in which the expenditure was made.

(7) At least ten (10) days before the date on which the statement is filed, each employer, executive agency lobbyist, or real party in interest who is required to file an expenditure statement under subsection (2)(b) of this section shall deliver a copy of the statement, or the portion showing the expenditure, to the official or employee who is listed in the statement as having received the expenditure or on whose behalf it was made.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 542, sec. 2, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 172, sec. 4, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 48, effective September 16, 1993.

11A.221 Statements of financial transactions.

(1) Any executive agency lobbyist who has had any financial transaction with, or for the benefit of, an elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of those officials shall describe the details of the transaction, including the name of the official or employee, the purpose and nature of the transaction, and the date it was made or entered into, in a statement filed with the commission with the updated registration statement required by KRS 11A.211(2). Each statement shall describe each financial transaction that occurred during the prior fiscal year.

(2) Except as provided in subsection (5) of this section, any employer who has had any financial transaction with or for the benefit of an elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of those officials shall describe the details of the transaction, including the name of the official or employee, the purpose and nature of the transaction, and the date it was made or entered into, in a statement filed with the commission with the updated registration statement required by KRS 11A.211(2). The statement shall be filed at the times specified in KRS 11A.211. Each statement shall describe each financial transaction that occurred during the prior fiscal year.

(3) Except as provided in subsection (6) of this section, any real party in interest who has had any financial transaction with or for the benefit of any elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of those officials shall describe the details of the transaction, including the name of the official or employee, the purpose and nature of the transaction, and the date it was made or entered into, in a statement filed with the commission with the updated registration statement required by KRS 11A.211(2). The statement shall be filed at the times specified in KRS 11A.211. Each statement shall describe each financial transaction that occurred during the prior fiscal year.

(4) At least ten (10) days before the date on which the statement is filed, each employer, executive agency lobbyist, or real party in interest who is required to file a statement describing a financial transaction under this section shall deliver a copy of the statement to the official or employee with whom or for whose benefit the transaction was made.

(5) An employer shall not be required to file any statement under this section or to deliver a copy of the statement to an official or employee with whom or for whose benefit the transaction was made if the financial transaction to which the statement pertains is reported by an executive agency lobbyist engaged by the employer.

(6) A real party in interest shall not be required to file any statement under this section or to deliver a copy of the statement to an official or employee with whom or for whose benefit the transaction was made if the financial transaction to which the statement pertains is reported by an executive agency lobbyist who is acting on behalf of the real party in interest.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 542, sec. 3, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 172, sec. 5, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 49, effective September 16, 1993.

11A.226 Dispute resolution with respect to statements of expenditures and statements of financial transactions.

(1) If a dispute arises between an elected executive official, the secretary of a cabinet listed in KRS 12.250, an executive agency official, or any member of the staff of any of those officials and a real party in interest, an employer, or an executive agency lobbyist with respect to an expenditure or financial transaction alleged in a statement to be filed under KRS 11A.216 or 11A.221, the official, employee, real party in interest, employer, or executive agency lobbyist may file a complaint with the commission. The commission shall investigate the complaint.

(2) The complaint shall be filed at least three (3) days prior to the time the statement is required to be filed with the commission. The time for filing a disputed expenditure or financial transaction in any statement of expenditures or the details of a financial transaction shall be extended pending the final decision of the commission. This extension does not extend the time for filing the nondisputed portions of either type of statement. The commission shall notify the parties of its final decision by certified mail. If the commission decides the disputed expenditure or financial transaction should be reported, the employer, a real party in interest, or the executive agency lobbyist shall include the matter in an amended statement and file the amended statement not later than ten (10) days after receiving notice of the decision of the commission by certified mail.

(3) An employer, executive agency lobbyist, or real party in interest who files a false statement of expenditures or details of a financial transaction is liable in a civil action to any official or employee who sustains damage as a result of the filing or publication of the statement.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 172, sec. 6, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 50, effective September 16, 1993.

11A.231 Activities excepted from KRS 11A.211 and 11A.216.

(1) KRS 11A.211 and 11A.216 do not apply to efforts to influence executive agency decisions or conduct executive agency lobbying activity by any of the following:

(a) Appearances at public hearings of the committees or interim committees of the General Assembly, at court proceedings, at rule-making or adjudication proceedings, or at other public meetings;

(b) News, editorial, and advertising statements published in newspapers, journals, or magazines, or broadcast over radio or television;

(c) The gathering and furnishing of information and news by bona fide reporters, correspondents, or news bureaus to news media described in subsection (1)(b) of this section; or

(d) Publications primarily designed for and distributed to members of associations or charitable or fraternal nonprofit corporations.

(2) Nothing in KRS 11A.201 to 11A.246 requires the reporting of, or prohibits an elected executive official from soliciting or accepting, a contribution from or an expenditure by any person if the contribution or expenditure is reported in accordance with KRS Chapter 121.

Effective: March 16, 2005

History: Amended 2005 Ky. Acts ch. 105, sec. 15, effective March 16, 2005. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 51, effective September 16, 1993.

11A.233 Influencing decision on award of economic incentive package -- Disclosure statement by beneficiary.

(1) For purposes of KRS 11A.201 to 11A.246, the term "executive agency lobbyist" does not include a person acting to promote, oppose, or otherwise influence the outcome of a decision of the Cabinet for Economic Development or any board or authority within or attached to that cabinet relating to the issuance or award of a bond, grant, lease, loan, assessment, incentive, inducement, or tax credit pursuant to KRS 42.4588, 103.210, Chapter 154, or Chapter 224A, or otherwise relating to any other component of an economic incentive package.

(2) Notwithstanding subsection (1), before any board or authority within or attached to the Cabinet for Economic Development takes final action on any contract or agreement by which any bond, grant, lease, loan, assessment, incentive, inducement, or tax credit is awarded, the beneficiary of an economic incentive package shall file with the approving board or authority a disclosure statement which shall contain:

(a) The identity of the beneficiary of an economic incentive package and any person employed to act on its behalf in its dealings with the Cabinet for Economic Development or any board or authority within or attached to that cabinet regarding the matters to which the contract or agreement refers; and

(b) The details of any financial transaction as defined in KRS 11A.201(5)(a) between the beneficiary or any other person listed as an employee or agent of the beneficiary as required by paragraph (a) of this subsection and any agent or public servant of the Cabinet for Economic Development, any member of any board or authority within or attached to that cabinet, or any other public servant involved in the negotiation of the economic incentive package.

(3) After final action by the board or authority, the Cabinet for Economic Development shall file the disclosure statement described in subsection (2) of this section with the Executive Branch Ethics Commission, but the cabinet may delete information identifying the beneficiary of the economic-incentive package if the cabinet believes that identification would damage economic development.

(4) No beneficiary of an economic incentive package as referred to in this section shall engage any person to influence decisions of the Cabinet for Economic Development or the approving board or authority for compensation that is contingent in any way on the outcome of the decisions of the cabinet or the approving board or authority regarding contracts or agreements specified in subsection (2) of this section, and no person shall accept any engagement to influence these decisions or conduct lobbying activities related to these decisions for compensation that is contingent in any way on the outcome of the decisions of the cabinet or the approving board or authority regarding these contracts or agreements.

(5) Subsection (4) of this section does not prohibit, and shall not be construed to prohibit, any person from compensating that person's sales employees pursuant to any incentive compensation plan, such as commission sales, if the incentive compensation plan is the same plan used to compensate similarly-situated sales employees who are not engaged by the beneficiary of an economic incentive package in activities and functions referred to in this section.

Effective: July 15, 1994

History: Created 1994 Ky. Acts ch. 450, sec. 37, effective July 15, 1994.

11A.236 Prohibition against lobbying on a contingency basis -- Exception for incentive compensation plans.

(1) Except as provided in subsection (2) of this section, no person shall engage any persons to influence executive agency decisions or conduct executive agency lobbying activity for compensation that is contingent in any way on the outcome of an executive agency decision and no person shall accept any engagement to influence executive agency decisions or conduct executive agency lobbying activity for compensation that is contingent in any way on the outcome of an executive agency decision.

(2) Subsection (1) of this section does not prohibit, and shall not be construed to prohibit, any person from compensating his sales employees pursuant to an incentive compensation plan, such as commission sales, if the incentive compensation plan is the same plan used to compensate similarly situated sales employees who are not executive agency lobbyists.

Effective: September 16, 1993

History: Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 52, effective September 16, 1993.

11A.241 Commission's duties with respect to executive agency lobbying.

(1) The commission shall keep on file the statements required by KRS 11A.211, 11A.216, and 11A.221. These statements are public records and open to public inspection, and the commission shall computerize them so the information contained in them is readily accessible to the general public. The commission shall provide copies of the statements to the public on request and may charge a reasonable fee not to exceed the cost of copying and delivering the statement.

(2) Not later than the last day of August of each year, the commission shall compile from the registration statements filed with it a complete and updated list of registered executive agency lobbyists and their employers, and real parties in interest and distribute the list to each elected executive branch official and the secretary of each cabinet listed in KRS 12.250, who shall distribute the list to the appropriate personnel under their jurisdiction. The commission shall provide copies of the list to the public upon request and may charge a reasonable fee not to exceed the cost of copying and delivering the list.

(3) The commission shall maintain a list of all executive agency lobbyists. The commission shall provide copies of the list to the public on request and may charge a reasonable fee not to exceed the cost of copying and delivering the document.

(4) The commission shall prescribe and make available an appropriate form for the filings required by KRS 11A.211, 11A.216, and 11A.221. The form shall contain the following notice in boldface type: "ANY PERSON WHO KNOWINGLY FILES A FALSE STATEMENT IS IN VIOLATION OF STATE LAW AND SUBJECT TO FINES AND OTHER PENALTIES."

(5) Any rules adopted by the commission to implement KRS 11A.201 to 11A.246 shall be adopted by administrative regulations promulgated in accordance with KRS Chapter 13A.

(6) The commission shall publish a handbook that explains in clear and concise language the provisions of KRS 11A.201 to 11A.246 and make it available free of charge to executive agency lobbyists, employers, real parties in interest, and any other interested persons.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 542, sec. 4, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 172, sec. 7, effective July 15, 1996. -- Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 53, effective September 16, 1993.

11A.246 Authorization for compliance investigations by Attorney General and his designees.

The Attorney General and any assistant or special counsel designated by him may investigate compliance with KRS 11A.201 to 11A.246.

Effective: September 16, 1993

History: Created 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 54, effective September 16, 1993.

11A.990 Penalties -- Time limitation on prosecution for violation of KRS 11A.040.

(1) Any person who violates KRS 11A.040 shall be guilty of a Class D felony. In addition:

(a) The judgment of conviction for a violation of KRS 11A.040(2) shall recite that the offender is disqualified to hold office thereafter; and

(b) Any person who violates KRS 11A.040(1) to (5) shall be judged to have forfeited any employment, or constitutional or statutory office he holds, provisions of KRS Chapter 18A to the contrary notwithstanding.

(2) Any officer, public servant, or candidate required to file a statement of financial disclosure under KRS 11A.050 who does not file the statement by a date specified in that section shall have his salary withheld from the first day of noncompliance until he shall have completed the action required by law. The amount withheld shall be deducted from his overall pay and allowances and shall be recoverable upon the filing of the statement of financial disclosure. The commission may grant a reasonable extension of time for filing a statement of financial disclosure for good cause shown.

(3) Any person who maliciously files with the commission a false charge of misconduct on the part of any public servant or other person shall be fined not to exceed five thousand dollars ($5,000), or imprisoned in a county jail for a term not to exceed one (1) year, or both.

(4) Prosecution for violation of any provision of KRS 11A.040 shall not be commenced after four (4) years have elapsed from the date of the violation. Any executive agency lobbyist, employer, or real party in interest who violates any provision in KRS 11A.206 shall for the first violation be subject to a civil penalty not to exceed five thousand dollars ($5,000). For the second and each subsequent violation, he shall be guilty of a Class D felony.

(5) Any executive agency lobbyist, employer, or real party in interest who fails to file the initial registration statement or updated registration statement required by KRS 11A.211 or 11A.216, or who fails to remedy a deficiency in any filing in a timely manner, may be fined by the commission an amount not to exceed one hundred dollars ($100) per day, up to a maximum total fine of one thousand dollars ($1,000).

(6) Any executive agency lobbyist, employer, or real party in interest who intentionally fails to register, or who intentionally files an initial registration statement or updated registration statement required by KRS 11A.211 or 11A.216 which he knows to contain false information or to omit required information shall be guilty of a Class D felony.

(7) An executive agency lobbyist, employer, or real party in interest who files a false statement of expenditures or details of a financial transaction under KRS 11A.221 or 11A.226 is liable in a civil action to any official or employee who sustains damage as a result of the filing or publication of the statement.

(8) Violation of KRS 11A.236 is a Class D felony.

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 475, sec. 8, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 602, sec. 4, effective July 15, 1998; and ch. 603, sec. 3, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 172, sec. 8, effective July 15, 1996. -- Amended 1993 (1st Extra. Sess.) Ky. Acts ch. 4, sec. 55, effective September 16, 1993. -- Created 1992 Ky. Acts ch. 287, sec. 15, effective July 14, 1992.

COMMUNITY VENTURES CORPORATION

CODE OF CONDUCT

The purpose of the listed policies is to provide employees and officers of CVC with a clear understanding of how to conduct themselves in matters pertaining to CVC and its clients.

WORK SCHEDULE

The normal workweek consists of five (5) days, eight (8) hours long, Monday through Friday. Your schedule of daily work hours will be given to you by your supervisor. You will be notified promptly whenever a change is necessary. Should you have any questions concerning your work schedule, please ask your supervisor.

❑ Absence Or Lateness

From time to time, it may be necessary for you to be absent from work. CVC is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Sick days and vacation days have been provided for this purpose.

If you are unable to report to work, or if you will arrive late, please contact your supervisor at least thirty (30) minutes before your scheduled starting time on each of the days you are absent. Give him or her as much time as possible to arrange for someone else to cover your position until you arrive. If you know in advance that you will need to be absent, you are required to request this time off directly from your supervisor. He or she will determine when will be the most suitable time for you to be absent from your work.

When you call in to inform CVC of an unexpected absence or late arrival, ask for your supervisor directly. For late arrivals, please indicate when you expect to arrive for work. Notifying the switchboard operator or a fellow-employee is not sufficient. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call on your behalf. If your supervisor is not available when you call, you may leave the information with his or her designee.

Absence from work for three (3) consecutive days without notifying your supervisor or the personnel administrator will be considered a voluntary resignation.

Breaks / Rest Periods

You are entitled to two (2) ten (10) minute rest breaks each day. Normally these rest breaks will be scheduled in mid-morning and mid-afternoon. Please coordinate with your co-workers to maintain adequate coverage at all times. Always be sure to return to work on time at the end of any break.

In the unlikely event of an emergency or unusual condition, your supervisor may ask you to change or postpone your break in order to finish a particular project.

Excessive Absenteeism Or Lateness

In general, five (5) absences in a 90-day period, or a consistent pattern of absence, will be considered excessive, and the reasons for the absences may come under question.

Tardiness or leaving early is as detrimental to CVC as an absence. Three (3) such incidents in a 90-day period will be considered a "tardiness pattern" and will carry the same weight as an absence. Other factors, like the degree of lateness, may be considered.

Be aware that excessive absenteeism, lateness or leaving early may lead to disciplinary action, including possible dismissal.

Lunch Period

If you work longer than four (4) hours, you will be given an unpaid lunch period. The time when lunch periods are scheduled varies among divisions, depending on the needs of each division. Your supervisor will give you your lunch period schedule.

You may leave the premises during your lunch period, however, you must sign in and out. It is important to return to work on time at the end of your lunch period.

Record Of Absence Or Lateness

If you are absent because of illness for three (3) or more successive days, your supervisor may request that you submit written documentation from your doctor. If you are absent five (5) or more days because of illness, you may be required to provide written documentation from a doctor that you are able to resume normal work duties before you will be allowed to return to work. You will be responsible for any charges made by your doctor for this documentation.

Your supervisor will make a note of any absence or lateness, and the reason, in your personnel file. Your attendance record will be considered when evaluating requests for promotions, transfers, leaves of absence, and approved time off, as well as scheduling layoffs, etc.

Participant Relations

The success of CVC depends upon the quality of the relationships between CVC, our employees, our participants and the general public. Our participants' impression of CVC and their interest and willingness to participate in our programs is greatly formed by the people who serve them. In a sense, regardless of your position, you are CVC's ambassador. The more goodwill you promote, the more our participants will respect and appreciate you, CVC and CVC's services.

Here are several things you can do to help give participants a good impression of CVC:

- ✓ Act competently and deal with participants in a courteous and respectful manner.
- ✓ Communicate pleasantly and respectfully with other employees at all times.
- ✓ Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
- ✓ Take great pride in your work and enjoy doing your very best.

These are the building blocks for your and CVC's continued success. Thank you for adding your support.

Note: Any action considered harmful to CVC or its participants can lead to dismissal.

Dress Code / Personal Appearance

Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with participants or visitors in person. Each supervisor or division director is responsible for establishing a reasonable dress code appropriate to the job you perform. However, sun dresses with bare backs and/or shoulders, men's undershirts, and shorts, for men or women, are not appropriate.

A neat, tasteful appearance contributes to the positive impression you make on our participants, donors, volunteers and visitors. You are expected to be suitably attired and groomed during working hours or when representing CVC. A good clean appearance bolsters your own poise and self-confidence and greatly enhances our image. When working at a participant's site, please observe what the participant is wearing and dress appropriately.

Personal appearance should be a matter of concern for each employee. If your supervisor feels your attire is out of place, you may be asked to leave your workplace until you are properly attired. You will not be paid for the time you are off the job for this purpose. Your supervisor has the sole authorization to determine an appropriate dress code, and anyone who violates this standard will be subject to appropriate disciplinary action.

TRAVEL POLICY

COMMUNITY VENTURES CORPORATION

CODE OF CONDUCT

From time to time employees are required to travel on behalf of CVC fro business purposes. This policy sets forth procedures and guidelines for incurring expenses and for their reimbursement. If you are uncertain about a particular expense or policy, contact your supervisor prior to the expenditure. Please note that CVC related travel requires special attention in regard to travel that may be reimbursed by any grants.

AUTHORIZATION TO TRAVEL

All business related travel must be for CVC approved activities. Any out of town trips requiring an overnight stay must be approved in advance by your supervisor. Please complete a Requisition as a purchase order for the necessary travel arrangements and accommodations and if possible book them through the executive assistant.

USE OF PERSONAL AUTOMOBILE

From time to time, it may be necessary for you to utilize your vehicle for pre-authorized CVC business. You may claim .05 less than the current IRS allowable reimbursement per mile driven.

AIR FARE

Airline tickets should be booked in advance in order to take advantage of any discounts. Please bear in mind that discount fares do not allow changes, so you must be able to make a commitment to the travel dates and change them only under extraordinary circumstances. Air travel and accommodations should be coordinated through the executive assistant if possible. All air travel must be coach class. Pleas include your airfare receipt with your expense requisition.

AUTOMOBILE RENTAL

Auto rental requires the prior approval of your supervisor and must have a reasonable CVC business related purpose.

TAXI AND OTHER TRANSPORTAION COSTS

Please utilize shuttle/hotel bus service whenever possible. When traveling in groups taxis may be economical. When traveling to and from your local airport, choose between long-term parking and a taxi based on whichever is the most economical for the company. Obtain receipts whenever possible and include them with your expense statement.

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HOTEL

Business travel that requires overnight stays must be approved by your supervisor in advance. For such trips you should choose hotels convenient to your business activities, but should choose the least expensive hotel available in that area. The executive assistant can assist you in making that determination. This cost can and will vary significantly depending on where you are traveling. Copies of your hotel receipts are required to be attached to your expense statement and expenses other than the room (i.e. meals, phone charges, etc) that may appear on the bill have to be coded properly on your request for reimbursement. Telephone calls from hotels can be very expensive. Use of cell phones or telephone credit cards is encouraged. Calls should be for business purposes or to keep in touch with immediate family while traveling. Movies, shoe shine, etc are considered personal expenses and are not reimbursed by CVC. If an extended stay is required for business purposes (more than one week without a return trip home) CVC will reimburse for laundry services.

In some instances staying overnight on a Saturday night can result in significant savings on the price of air fare. To allow an employee to stay over on a Saturday night, the employee must be able to demonstrate that the additional cost of the hotel room and ALL other related expenses are less than the air fare difference. This must be demonstrated and approved in advance by your supervisor.

PER DIEM MEAL REIMBURSEMENT

Meals will be reimbursed on an actual costs basis not to exceed a per diem basis. The per diem rate varies by the location being traveled. The per diem is based on the government approved per diem rate for the city to which you are traveling and can be found at http://www.gsa.gov. The per diem applies to all full travel days associated with an overnight stay. Any meal expenditures over the per diem rate will not be reimbursed by the company. Partial travel day per diem is as follows:

Leave by	Return by	Per Diem
8:00 AM		Full amount
11:00 AM		80% of full amount
4:00 PM		50% of full amount
	11:00 AM	20% of full amount
	4:00 PM	50% of full amount
	After 5:00 PM	Full amount

Keep in mind this is an ACTUAL COST NOT TO EXCEED the per diem policy and that it is applied on a daily basis. This would preclude an employee from eating at very low cost sources and accumulating daily per diem that would be used on one extravagant evening. This meal policy does not apply to entertainment of non CVC business associates that is appropriate and necessary for CVC business.

ENTERTAINMENT EXPENSES

CVC defines entertainment as meals where an employee is meeting with business associates to discuss furtherance of CVC's mission. Any request for reimbursement of entertainment expenses must be accompanied by a description of the entertainment, listing of individuals entertained, the purpose of the entertainment and a detailed receipt for the expenses. Entertainment where a disproportional number of company employees participated or where the cost of such entertainment is disproportional to the number of persons attending will be questioned and may be only partially reimbursed or if the entertainment activity is inappropriate may not be reimbursed in its entirety. Inappropriate entertainment activity will be denied. A sample of inappropriate activities would be any adult entertainment, reimbursement of alcohol consumed and sporting events. This sample listing is not all encompassing but is typical of activity that will be denied if included on an expense reimbursement request.

MISCELLANEOUS

Please remember that if your travel is being reimbursed by a grant there may be further restrictions on what is reimbursable and if possible you should comply with those requirements. If it is not possible to comply with those restrictions due to the locality you are visiting and CVC's policy does allow the greater expense you will have to code your expense report appropriately to charge only the grant allowed expenses to the appropriate grant and the balance to the appropriate codes.

In addition detail receipts for all items must be attached to the request for reimbursement and credit card statements or non-detail invoices are not sufficient to document the costs incurred and will result in CVC not reimburse the costs incurred. The only exception is for incidental costs (i.e. tips, taxis, etc.) under $30. Any item over $30 and all meals (whether personal or entertainment) requires a detailed receipt regardless of the nature of the item.

Supervisors can approve direct reports request for reimbursement under this policy. Anything outside this policy must be approved by the CEO. The CEO's request for reimbursement must be signed off by one other executive level officer at CVC before being paid.

Unacceptable Activities

Generally speaking, we expect each person to act in a mature and responsible way at all times. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as the benefit of CVC. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see your supervisor for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in immediate dismissal without warning:

- ✓ Willful violation of any corporation rule; any deliberate action that is extreme in nature and is obviously detrimental to CVC's efforts to operate.
- ✓ Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on corporation premises except medications prescribed by a physician which do not impair work performance.
- ✓ Unauthorized possession of dangerous or illegal firearms, weapons or explosives on corporation property or while on duty.
- ✓ Engaging in criminal conduct or acts of violence, or making threats of violence.
- ✓ Fighting, or horseplay or provoking a fight on corporation property, or negligent damage of corporation property.
- ✓ Insubordination or refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment.
- ✓ Threatening, intimidating or coercing fellow employees on or off the premises -- at any time, for any purpose.

- ✓ Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of corporation property, or the property of fellow employees, participants, or visitors in any manner.
- ✓ Theft of corporation property or the property of fellow employees; unauthorized possession or removal of any corporation property, including documents, from the premises without prior permission from management; unauthorized use of corporation equipment or property for personal reasons; using corporation equipment for profit.
- ✓ Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by CVC; alteration of corporation records or other corporation documents.
- ✓ Giving confidential or proprietary CVC information to competitors or other organizations or to unauthorized CVC employees; breach of confidentiality of personnel information.
- ✓ Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same.
- ✓ Immoral conduct or indecency on corporation property.
- ✓ Conducting a lottery or gambling on corporation premises.

Occurrences of any of the following activities, as well as violations of any CVC rules or policies, may be subject to disciplinary action, including possible immediate dismissal. This list is not all-inclusive and, notwithstanding this list, all employees remain employed "at will."

- ✓ Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor; mistakes due to carelessness or failure to get necessary instructions.
- ✓ Any act of harassment, sexual, racial or other; telling sexist or racial-type jokes; making racial or ethnic slurs.
- ✓ Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
- ✓ Sleeping on the job; loitering or loafing during working hours.
- ✓ Excessive use of corporation telephone for personal calls.
- ✓ Smoking in restricted areas.
- ✓ Creating or contributing to unsanitary conditions.
- ✓ Failure to report an absence or late arrival; excessive absence or lateness.
- ✓ Obscene or abusive language toward any supervisor, employee or participant; indifference or rudeness towards a participant or fellow employee; any disorderly/antagonistic conduct on corporation premises
- ✓ Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on corporation premises.

- ✓ Failure to maintain a neat and clean appearance in terms of the standards established by your supervisor; any departure from accepted conventional modes of dress or personal grooming.

Entering & Leaving The Premises

At the time you are hired, you will be advised about the proper entrances and exits for our employees. You are expected to abide by these rules at all times. Failure to do so will lead to disciplinary action.

Housekeeping

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times -- it is a required safety precaution.

Easily accessible trash receptacles and recycling containers are located throughout the building. Please put all litter and recyclable materials in the appropriate receptacles and containers. Always be aware of good health and safety standards, including fire and loss prevention.

Please report anything that needs repairing or replacing to your supervisor immediately.

Outside Activities

No employee may take an outside job, either for pay or as a donation of his or her personal time, with a participant or competitor of CVC; nor may they do work on their own if it competes in any way with the services we provide our participants. If your financial situation requires you to hold a second job, part-time or full-time, or if you

Personal Phone Calls & Mail

Our telephone bills can be astronomical. Please keep personal phone calls to a minimum -- they must not interfere with your work. You are permitted to make limited local area calls on corporation telephones for essential personal business. Please do not abuse this privilege. Emergency calls regarding illness or injury to family members, changed family plans, or calls for similar reasons may be made at any time. Incoming urgent calls will be directed to you. If you must make a personal long distance call, you will be expected to reimburse CVC upon receipt of the phone bill.

Please don't use CVC as a personal mailing address, and do not put personal mail in the stacks that are to be stamped or run through the postage meter. Although the amount may seem small, it is still considered theft.

Property & Equipment Care

It is your responsibility to understand the machines you need to use to perform your duties. Good care of any machine that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and CVC. If you find that a machine is not working properly or in any way appears unsafe, please notify your supervisor immediately so that repairs or adjustments may be made.

Ethical Conduct in Purchasing

Ethical conduct in managing the Organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Gifts to the Organization, viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations.

Conflicts of Interest

Except as provided below, CVC will not obligate or expend any funds for a purchase or rental of goods, space, or services if any of the following persons has a "substantial interest" in the purchase or rental:

- A member of the Board of Directors

- An executive officer of the Corporation
- Any other employee of the Corporation whose responsibilities include procurement of goods, space, or services.
- Anyone who is a member of the immediate family of a Board member or employee referred to above.

The term "substantial interest" used above includes the following"

- Any direct or indirect financial interest in the specific sale or rental transaction, including a commission or fee, a share of the proceeds, the prospect of a promotion, or any other form of financial reward.
- Any of the following interest in the business which is supplying the goods, space or services to the Corporation:
    - Ownership
    - Partnership interest or other beneficial interest of 5% or more of the stock.
    - Ownership of 5% or more of the stock.
    - Employment as an executive officer.
    - Membership on the Board of Directors or other governing board.

Exceptions to this policy may be granted by the Corporation's Board of Directors at the request of the Executive Vice President.

Smoking

CVC allows smoking only in designated areas. Please remember to conform to our participants' smoking policies when working at a participant's site.

Substance Abuse

CVC is committed to providing its employees with a safe workplace and an atmosphere which allows them to protect inventory and other assets placed in their care. CVC employees should not be subject to any safety threats from fellow workers. You are expected to be in suitable mental and physical condition while at work, allowing you to perform your job effectively and safely.

Whenever use or abuse of any mood altering substance (such as alcohol or other drugs) interferes with a safe workplace, appropriate action must be taken. CVC has no desire to intrude into its employees' personal lives. However, both on-the-job and off-the-job involvement with any mood altering substances can have an impact on our workplace and on CVC's ability to achieve its objectives of safety and security. Therefore, you are expected to report to the workplace with no mood altering substances in your body. While you may make your own lifestyle choices, CVC cannot accept the risk in the workplace which substance use or abuse may create. The possession, sale or use of mood altering substances at the workplace, or coming to work under the influence of such substances shall be a violation of safe work practices and will be subject to disciplinary action, including possible dismissal.

Disciplinary Actions

Unacceptable behavior which does not lead to immediate dismissal may be dealt with in the following manner:

- ✓ Verbal Warning
- ✓ Written Warning
- ✓ Dismissal

Written warnings will include the reasons for the supervisor's dissatisfaction and any supporting evidence. You will have an opportunity to defend your actions and rebut the opinion of your supervisor at the time the warning is issued. Disciplinary actions may also include suspensions or other measures deemed appropriate to the circumstances.

Dismissal

Employment and compensation with CVC is "at will" in that they can be terminated with or without cause, and with or without advance notice, at any time, at the option of either CVC or yourself, except as otherwise provided by law.

COMMUNITY VENTURES CORPORATION

CODE OF CONDUCT

This Code of Conduct is hereby approved by CVC's Authorized Representative:

_____
Kevin R. Smith
President/CEO

_____
Date

THE CITY EMPLOYEE CODE OF CITIZEN SERVICE

1. All City Employees are required to know and follow this Code of Conduct.

2. If Owensboro is to maintain its population base and business community, all City employees must work together as a team to ensure that residents and visitors are pleased with our public contacts and services provided.

3. All employees shall take part in any training required for their positions and for providing the best possible service to the citizens.

4. Each employee shall understand their job responsibilities, their standards of performance, and the goals of their department and work unit.

5. Each employee must know the needs of their customers, both internal and external, in order to provide the services they expect.

6. Each employee must think of him/herself as an ambassador for the City, both in and outside of the workplace, whether speaking with or providing information to citizens, the public at large, media, other agencies, or fellow employees.

7. An employee receiving a complaint or a request for service "owns" that complaint or request until it is resolved, satisfied, or referred to the appropriate party (e.g., Citizens Action Line (687-4444), your supervisor, or department head).

8. Employees must react as quickly as possible to complaints or requests. Do everything to ensure that citizens are satisfied with the service the City provides.

9. Customer service is the responsibility of every employee. Failing to be courteous and provide good customer service because of a poor attitude or "it isn't in my job description" mentality is not acceptable.

10. If a citizen is dissatisfied or rude, do not respond in a negative way. Remain polite, and if necessary, refer the citizen to a supervisor, department head, or to the Citizens Action Line (687-4444). At no time should a City employee be rude or unresponsive to any citizens, or to another employee.

11. Remember that you are always in the public eye. Consider every action, rest period, or public contact as if it were appearing on the front page of the newspaper or on the evening news broadcast. Do not bring discredit, embarrassment, or distrust to you as a City employee or to the City;

12. Demonstrate a positive attitude, both to customers and other employees. Negativity is contagious. Don't plant the seed that grows negativity.

13. Realize that gossip hurts you as well as others, allowing miscommunications, inaccurate information, and false assumptions to be spread, and employee morale to be negatively affected. Everyone has the potential to gossip – not just others. If you're guilty of it, recognize it for what it is, and start correcting the problem. If you respect your fellow employees, this comes naturally.

14. If you don't have anything to do, ask your supervisor if you can help someone else. It's not OK to just read a magazine, tend to personal business, or do nothing just to kill time at work.

15. It is important that our phone lines are kept open for business use, and that during our work hours we are serving the citizens of Owensboro instead of ourselves. If personal phone calls are permitted in your department, keep them brief and to a bare minimum.

16. Our customers, both internal and external, expect us to be here during our designated work times. Tardiness and poor attendance reflect poorly not only on you, but also the City.

17. Be courteous, have a ready smile and a pleasant tone of voice, even when you have to give

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citizens news they don't want to hear. Use phrases such as "Good afternoon, may I help you, sir/ma'am?" or "I'd be happy to look into that and get back to you later today," or "I'm sorry, but I can't do what you ask, but perhaps I could make another suggestion or refer you to my supervisor or the Citizens Action Line (687-4444)."

18. Behave civilly, and avoid personal attacks or inappropriate personal remarks. Hot tempers are not acceptable.

19. When receiving a wrong number on the phone, don't just tell the caller they have the wrong number. Try to assist them by finding the correct number for them, when possible.

20. When dealing with the public, whether on duty or off duty, keep a positive manner. We want residents and potential residents to know about the positive aspects of our City. We only hurt ourselves when we run down some aspect of our City.

21. Within our facilities, try to escort citizens who ask you about getting to a particular location or destination, if it is reasonably convenient. Don't just point them in a general direction.

22. Be generally knowledgeable about the functions of City departments, particularly about those areas you are frequently asked about.

23. Be knowledgeable about your department's mission and values, and comply with them.

24. Be knowledgeable about laws, regulations, policies, and procedures that affect your position, and comply with them.

25. Use proper telephone etiquette. Try to answer every phone call within three rings. Answer with a friendly, interested tone of voice. If you must transfer a call, explain that the caller needs to speak to another party. Ask the caller "May I place you on hold?" or "May I transfer you?" and if they agree, then call the appropriate party, telling them the name of the person calling and the subject of their call before you actually put the call through. If the situation or the phone system prevents this procedure, work out another acceptable protocol within your department.

26. Take pride in and care of your personal appearance and cleanliness.

27. It is everyone's responsibility to ensure a safe working environment, for ourselves, our fellow employees, and the public. If you notice a safety concern, **"own"** it until you resolve it or refer it to the appropriate person (e.g., employee in charge of the facility, a supervisor, or department head). If you notice an employee not following proper safety procedures or wearing personal protective equipment as required, ask the employee to comply and if they fail to do so, report it to your supervisor.

28. Ensure that you know your role in all situations. When you see other City employees behaving rudely to the public or engaging in improper public behavior, realize that this hurts all of us. All employees must accept responsibility for informing their supervisor that these things are happening. The future of our City, and our own job security, depend on our doing everything possible to make this a satisfying place to live and work. We cannot afford mediocrity and shoddy work performance of any type.

29. Be knowledgeable and abide with City of Owensboro Policy 803: Conflicts of Interest; Ethical Behavior; Confidentiality.

30. Promoting the City of Owensboro is the responsibility of every employee.