

Approved by Board of Directors 10/14/10
Revision Approved 6/8/17, 8/11/22

Central Texas Rural Transit District

City And Rural Rides

Internal Compliance Program & Code of Conduct Policy

Central Texas Rural Transit District (CTRTD) has established an Internal Compliance Program. The General Manager and the Assistant General Manager are charged with monitoring compliance within the organization and taking appropriate action in response to compliance related complaints. These employees are responsible for oversight of financial reports and establishing and maintaining an adequate internal control structure with appropriate checks and balances.

CTRTD has taken all possible steps to avoid the delegation of substantial discretionary authority to individuals whom the organization knows, or should know, have previously engaged in illegal activities.

Criminal background checks are conducted annually for all current employees and upon employment for all future employees in high-level positions, who are involved in handling financial documents or highly confidential information, and/or who admit a prior felony conviction.

CTRTD shall take all steps to ensure that compliance standards are effectively communicated to all of CTRTD's employees by requiring them to participate in training and by disseminating to them information that explains, in understandable language, the requirements of CTRTD's Internal Compliance Program.

A copy of the compliance policy, including any amendments and all related documents, (company handbook) will be made available to all employees. Training will be held during orientation and annually and each employee will sign a document acknowledging its receipt and their understanding of the policy's requirements and on ethical behavior generally.

CTRTD's Board of Directors will participate in annual training in ethics and in the compliance program and ethical behavior generally.

CTRTD shall notify all agents of the organization of the organization's compliance policy, and its expectation of ethical behavior and compliance with the law from individuals and companies it does business with through distribution of written materials, or mail-outs of information, electronic communication, or verbal communication methods.

CTRTD will conduct semi-annual internal audits and other risk evaluations to monitor compliance and assist in the reduction of identified problem areas.

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Employees are required to immediately report any suspicion of noncompliance with law, or unethical behavior. It is CTRTD's desire to identify and address incidents of misconduct in an expeditious manner by encouraging employees to spot and report potential compliance issues to management. If uncomfortable in reporting directly, employees can and are encouraged to use the following anonymous procedures for reporting noncompliance and unethical behavior.

Employees are assured that no disciplinary action or retaliation of any kind will be taken or tolerated by CTRTD as a result of an employee reporting in good faith a potential conflict of interest in another employee's activities or a suspected violation of law, rule, regulation, or provision of this Code of Business Conduct and Ethics for Employees or any other CTRTD policy by another employee.

Reports may be submitted anonymously by mail to:
Central Texas Rural Transit District
1031 Early Blvd
Early, Texas 76802

Attention: Joe Guajardo, Assistant General Manager

Or by placement in a locked box that has been set up in the CTRTD Administrative Hall of the Brown County Multi-Modal Office at 1031 Early Blvd. Early, Texas 76802

The General Manager or assigned Supervisor will be primarily responsible for responding to evidence of noncompliance and taking appropriate action. CTRTD's personnel policy defines disciplinary policy and actions that may lead to discipline and/or termination. Any employee who violates the ethics policy shall be subject to termination or other employment-related sanctions, as well as applicable civil or criminal penalties. The General Manager and Assistant General Manager shall be responsible for periodically assessing risks of criminal misconduct within the organization.

Respectfully,



J.R. Salazar, General Manager
Central Texas Rural Transit District

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**Central Texas Rural
Transit District**

City And Rural Rides

**Internal Compliance Program &
Code of Conduct Policy**

This form is to acknowledge that I have received a copy of the Central Texas Rural Transit District dba City and Rural Rides Internal Compliance Program & Code of Conduct Policy with current revision date of 8/11/22, and the policy and revisions have been reviewed with me.

Employee/Board Member Acknowledgement
of receipt and training:

Printed Name

Signature

Date

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General:

This policy prescribes the standards of ethical conduct for all employees of Central Texas Rural Transit District. All employees must familiarize themselves with this policy. All employees must abide by applicable federal and state laws, administrative rules, and this ethics policy. An employee who violates any applicable federal or state law or rule may be subject to civil or criminal penalties in addition to any disciplinary action.

All employees shall perform their official duties in a lawful, professional, and ethical manner; practice responsible stewardship of organizational resources, and report any conduct or activity that they believe to be in violation of this policy. Employees shall not knowingly make false or misleading statements, oral or written, in the course of the conducting Central Texas Rural Transit District business. Employees shall not disclose confidential or sensitive organizational business information without prior written authorization.

I. Record Retention

Central Texas Rural Transit District is committed to proper maintenance and retention of records. Records are defined broadly to include almost any type of business information, and the required retention period varies with the type of record. Falsifying records, deliberately concealing records, destroying records in bad faith, exploiting confidential information, or otherwise mishandling records is not acceptable.

As a local government, Central Texas Rural Transit District must adhere to Local Government Code, Chapters 202-204, addressing record management. Records management includes the application of management techniques to the creation, use, maintenance, retention, preservation, and disposal of records for the purposes of reducing the costs and improving the efficiency of recordkeeping (Local Government Code 201.003(8)).

When a lawsuit is filed or is reasonably anticipated to be filed against Central Texas Rural Transit District, or when an internal or governmental investigation is initiated, you must ensure that all information potentially relevant to the suit or investigation is preserved. You may not alter, conceal, or in any way destroy information potentially relevant to a suit or investigation. You must take steps to ensure potentially relevant information is not inadvertently destroyed pursuant to document retention schedules or by routine computer operations or common computer settings, such as the automated deletion of emails.

II. Fraud

Fraud is broadly defined, and may include any type of intentional deception for the purpose of personal or business gain or damage to an individual or organization. Examples of fraud include lying on an employment application, falsifying records, or providing false receipts for reimbursement from Central Texas Rural Transit District.

Employees must be good stewards of resources entrusted to them and exercise due diligence to prevent and detect criminal conduct and noncompliance with laws and policies. You must report suspected fraud, waste, abuse, or non-compliance to the appropriate supervisor or manager. Engaging in acts of fraud may result in civil or criminal liability.

III. Equal Opportunity Employment

Central Texas Rural Transit District is an equal opportunity employer. It is Central Texas Rural Transit District's policy to promote and ensure equal employment opportunity for all persons regardless of race, color, disability, religion, sex, national origin, or age. Discrimination has no place at Central Texas Rural Transit District and will not be tolerated.

IV. Sexual Harassment and Sexual Misconduct

Central Texas Rural Transit District does not tolerate any form of sexual harassment in the workplace. Sexual harassment may include sexual advances, sexual solicitation, requests for sexual favors, or other verbal or physical conduct of a sexual nature.

Sexual misconduct includes behavior that is short of sexual harassment, but nonetheless is unprofessional and inappropriate. Sexual misconduct is not permitted. All employees will treat one another and the general public with professionalism, respect, and fairness. You must conduct yourself with courtesy and restraint at all times on the job and whenever you may be perceived in any way as representing Central Texas Rural Transit District.

If you feel that you are being subjected to sexual harassment or sexual misconduct by any person in the workplace, or if you witness any incident that appears to be a violation of sexual harassment and sexual misconduct policies, you must report the incident to the appropriate supervisor or manager. Alternatively, if the subject of your complaint is your supervisor or manager, you must report the complaint to the Assistant General Manager, a higher level supervisor or manager, or to the office responsible for internal investigations. Employees who report sexual harassment are protected against retaliation by state and federal laws.

Supervisors or managers who receive reports of sexual harassment or sexual misconduct must report the complaint(s) to the appropriate authorities, regardless of the form of the complaint (“formal” or “informal”) or whether it precisely follows Central Texas Rural Transit District’s complaint procedures. Supervisors and managers must keep accurate records of complaints and are responsible for taking appropriate action that actually stops the harassment or misconduct. Ignoring a report of sexual harassment or sexual misconduct is unacceptable.

V. Conflicts of Interest

Conflict of interest is a situation in which your private interest (usually financial or economic in nature) conflicts with or raises a reasonable question of conflict with your job-related duties and responsibilities. Importantly, if you violate a conflict of interest law, you may face civil and/or criminal charges resulting in monetary fines or jail time.

An employee shall not:

1. Engage in any activity that would create a conflict of interest or even the appearance of a conflict,
2. Make a personal investment in any enterprise that would create a substantial conflict between the employee’s private interest and Central Texas Rural Transit District,
3. Engage in outside business or professional activities or accept employment if the activities create a conflict between the employee’s private interests and Central Texas Rural Transit District; use or appear to use information obtained in connection with the employee’s duties for Central Texas Rural Transit District, or could be expected to impair the employee’s independence of judgment in the performance of the employee’s duties for Central Texas Rural Transit District,

Local public officials (including a member of the governing body or another officer, whether elected, appointed, paid, or unpaid, of any district including a transit authority or district), as well as certain other employees involved with contracting, are subject to the conflict of interest provisions in Chapter 171 of the Texas Local Government Code. Chapter 171 establishes the standard for determining when a local official has a conflict of interest that would affect his or her ability to discuss, decide, or vote on a particular item.

Other state and federal laws may be applicable to officials and employees in particular situations. For example, Chapter 176 of the Local Government Code requires members of the governing body and executive officers of local government entities to file a conflicts disclosure statement relating to a person that the governmental entity has contracted with or is considering contracting with if the local officer or his or her family members have certain business relationships with that person.

VI. Personal Use of Organization's Property

Property owned or leased by or provided to Central Texas Rural Transit District may only be used for official purposes as authorized by the Board of Directors and the General Manager. Any misuse or unauthorized use of Central Texas Rural Transit District's property, including information system resources, is subject to disciplinary action. Misuse of official property may also result in criminal prosecution.

VII. Gifts and Honoraria

1. Gifts or Honoraria

You should always ask yourself whether it is appropriate for you to accept something from a person who wants, or may want, or may be seen to want, an official favor within your authority. It is unethical to accept or give a gift that is meant to sway a decision in favor of the gift-giver.

Under Local Government Code Chapter 176, a local government officer must disclose a vendor's offer of gifts to the officer or to the officer's family member worth \$250 or more using the Conflict of Interest Form approved by the Texas Ethics Commission. The form requires disclosure even if the officer refuses the gift. An officer commits a Class C misdemeanor if the officer knowingly violates the disclosure requirements.

2. Giving Gifts or Honoraria to State Employees

State employees are legally and ethically prohibited from accepting gifts and honoraria, except in very limited situations. You may be held criminally liable for offering or conferring any benefit to a state employee in exchange for the recipient's decision, opinion, recommendation, vote, or other exercise of discretion as a public servant. "Benefit" means anything reasonably regarded as a financial gain or financial advantage, including a benefit to any other person in whose welfare the beneficiary has an interest. Benefit does not include an item with a value of less than \$50 or a gift or other benefit conferred on account of kinship or an independent relationship.