

# CAROLINA FAMILY HEALTH CENTERS, INC. PROCEDURE

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**TITLE:** HR-305.01 Fair Credit Reporting Act

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**EFFECTIVE DATE:** February 2013

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**SECTION:** Human Resources

**REFERENCE POLICY:** HR-305 Fair Credit Reporting Act

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**RESPONSIBLE CHIEF OF STAFF:** Chief Operating Officer

**RESPONSIBLE COMMITTEE:** Employee Investment CIT

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**REVIEWED:** 06/16, 9/17, 10/17, 10/01/2025

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## **I. PURPOSE**

The purpose of this procedure is to document how Carolina Family Health Centers, Inc. (CFHC, Inc.) is in compliance with all aspects of the Fair Credit Reporting Act.

## **II. PROCEDURE**

The following procedure applies to prospective and existing employees.

### **Prospective Employee**

This procedure applies to all applicants who have accepted offers of employment with CFHC, Inc. Once the screening and interview process is completed and an applicant is selected to receive an offer of employment, the Director of Human Resources or his/her designee extends an offer of employment, contingent upon a satisfactory consumer report, a satisfactory drug screen, and acceptable reference verification.

At that time, the Director of Human Resources or his/her designee initiates the background check through the applicant tracking system. The applicant tracking system is integrated with the third-party vendor. The third-party vendor contacts the applicant via email and provides the applicant with a copy of the Consumer Report Disclosure and A Summary of Your Rights Under the Fair Credit Reporting Act. The applicant must acknowledge receipt of these two documents and must also provide the vendor with their authorization to obtain the consumer reports. Copies of these documents can be obtained electronically.

Findings in the criminal background check investigation report are reviewed by the Director of Human Resources or his/her designee. The Director of Human Resources or his/her designee reviews the findings with the applicant. The applicant must provide an explanation of the finding (along with supporting documentation, if necessary). -The Director of Human Resources or his/her designee presents the findings from the report with the applicant's explanation and HR's recommendation to the Chief Executive Officer. The Chief Executive Officer evaluates the information and makes a final decision. There are cases where legal advice is obtained, as needed, so that a fair and just determination is made.

If it is determined that CFHC, Inc. will not employ the applicant, the Director of Human Resources or his/her designee initiates the pre-adverse action. The pre-adverse action meets all the requirements of the Fair Credit Reporting Act.

### **Existing Employees**

CFHC, Inc. reserves the right to obtain a consumer report at any time during the employee's term of employment. The authorization is obtained during the employee's pre-hire process, when the background check is initiated.

A consumer report is obtained under the following circumstances:

- Internal investigation that may involve a potential act of gross misconduct or a whistleblower complaint.
- Employee with an offer for a position in the departments of finance, front office, and pharmacy.
- Employee with an offer for a management position.

The employee's consumer report is reviewed by the Director of Human Resources or his/her designee. Findings from the report are reviewed and discussed with the employee. The employee must provide an explanation of the findings (along with supporting documentation, if necessary). The Director of Human Resources or his/her designee makes a recommendation and reviews it with the Chief Executive Officer.

If it is determined that CFHC, Inc. will not proceed with the employee, the Director of Human Resources or his/her designee will initiate the pre-adverse action. The pre-adverse action process meets all requirements of the Fair Credit Reporting Act.

The consumer report may include information that is inaccurate. However, if there is information that can impact the employee negatively, depending upon the severity of the information contained in the report, the employee may be placed on an investigatory suspension until an evaluation is completed. Refer to *HR-102 Corrective Action*. If the employee is able to produce acceptable documentation to support the inaccuracy of the consumer report, the investigatory suspension is paid. If the employee is issued an adverse action notice, the period of the investigatory suspension is unpaid, and the employment relationship is terminated. Legal counsel is obtained, as needed, to make a fair and just determination related to the evidence provided by the employee.