



Conflict of Interest Policy

Any transaction between the organization and a for-profit corporation in which the organization's Board member is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.

On the other hand, the following transactions are permissible if the Board follows the procedure described below:

Transactions between the organization and a for-profit corporation in which a Board member is the owner or holder, directly or indirectly, of less than 5 percent of the outstanding common stock.

Transactions between the organization and a for-profit corporation on whose governing body a Board member serves as a director and owner or holder, directly or indirectly, of less than 5 percent of the outstanding common stock.

Transactions between the organization and a nonprofit corporation on whose governing body a Board member serves as a director.

The organization encourages the prompt disclosure of any such conflict, real or perceived, to the Chief Executive Officer for review and determination. In the case of the Chief Executive Officer, disclosure shall be made to the Board Chair for review and determination consistent with this policy statement.

It is unlawful (, Section 89909) and against organization policy for any person, including Board members, employees, volunteers, or organization agents or other representatives to utilize any information that is not a matter of public record and is received by the person by reason of his or her membership on the Board of Directors, organization employment, or relationship with the organization for personal pecuniary gain, regardless of whether he or she is or is not a Board member, employee, or otherwise engaged with the organization at the time such gain is realized.

Education Code Sections 89906-09; and Corporations Code Sections 5233.

Every Board member has an affirmative duty to know and understand the conflict of interest standards, to disclose to the Board any real or perceived transaction conflict, and to step aside from Board deliberations and actions on such matters.

Procedure for Disclosing a Conflict

Any Board member with a financial interest in a permissible transaction before the Board of Directors shall promptly disclose to the Board the nature and scope of that interest, and thereupon be recused from participating in any deliberations or actions by the Board on that matter. The Board meeting minutes shall note the disclosure and recusal. The Board shall then make a determination whether or not the proposed transaction is just and reasonable for the organization at that time and under the circumstances of the disclosure. If so, the Board may then authorize, approve, or ratify the transaction in good faith by a vote sufficient for the purpose of the action without counting the vote(s) of such financially interested Board member(s).

Upon the disclosure by any Board member with a financial interest in an transaction before the Board, no action to approve, authorize, or ratify the transaction shall be taken, and the meeting minutes shall note the circumstances attending the matter.

Board Member Initial and Annual Certification

Each Board member shall initially and annually thereafter receive, review, complete, sign, and return a Related Party Questionnaire and Conflict of Interest Certification in accordance with written procedures established by the Chief Operating Officer implementing this policy statement.

Procedure for Obtaining Conflict of Interest Statements

The Operations Analyst will be responsible for obtaining the Conflict of Interest Statement annually from each Board Member at the fall board meeting. This will require follow up for any board member who does not attend, or somehow leaves before signing the document.

This document shall also be obtained from all new board members on or before their first board meeting. These documents shall be scanned and stored in the 49er Foundation permanent records folder/directory.

Purchasing/Expenditure Authorization Certification

Organization employees or others with purchasing and expenditure authority shall receive, review, sign and return the _____, in a form prescribed by written procedures, acknowledging the following prohibitions and certifying that they will avoid them:

Engaging in or having any personal pecuniary interest in any business, transaction, or incurring any obligation which conflicts with or gives the appearance of conflicting with or impairing independent judgment.