Conflict of Interest Policy

Policy Title:
Conflict of Interest Policy - Educational Foundation

Policy Number:
POL-EF001

Issuing Date: 12/03/2008  Effective Date: 12/03/2008  Last Modified Date: 3/10/2010

Supersedes:
none

Policy Owner:
President, Cal State East Bay Educational Foundation

Office of Origin:
Cal State East Bay Educational Foundation

Policy Approval Authorities:
Board of Trustees, Cal State East Bay Educational Foundation

2. Purpose of the Policy

2.1 The directors of a charity owe it a duty of loyalty. The duty of loyalty requires a director to act in the interest of the charity rather than in the personal interest of the director or some other person or organization.

2.2 The public expects a charity to abide by ethical standards that promote the public good. The organization’s governing body bears the ultimate responsibility for setting ethical standards and ensuring they permeate the organization and inform its practices. Policies such as a Conflict of Interest policy will address potential conflicts of interests involving directors, trustees, officers, and other employees.

2.3 It is the intent of the Cal State East Bay Educational Foundation to adhere to all laws and regulations that apply to the organization and the underlying purpose of this policy is to support the organization’s goal of legal compliance. The support of all employees and volunteers is necessary to achieving compliance with various laws and regulations.

3. Detailed Policy Statement

3.1 Recognized auxiliary organizations of California State University, East Bay, including the Cal State East Bay Educational Foundation, will comply with the conflict of interest requirements set forth in the Compilation of Policies and Procedures for California State University Auxiliary Organizations and the California Education Code.

4. Applicability

4.1 This policy applies to the Cal State East Bay Educational Foundation, an auxiliary of California State University, East Bay, and its board members, managers, exempt employees, and contracted consultants.

5. Definitions

5.1 A "conflict of interest" occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt the motivation for an act in the other.

6. References

6.1 Conflict of Interest Excerpt from the Compilation of Policies and Procedures for California State University Auxiliary Organizations:
6. CONDUCT OF THE GOVERNING BOARD

6.1 Conflict of Interest Regulations

6.1.1
The legislature has established certain restrictions on governing board members that could result in or be perceived as a conflict of interest. These restrictions also extend to an entity with whom a governing board member has a relationship. In general, the statutes prohibit a governing board member (either the member, or the member in association with another entity) from having a financial interest or contract with the auxiliary organization they are serving.

Appendix B
Education Code Sections – Auxiliary Organizations

89906. No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which they are a member, and any contract or transaction entered into in violation of this section is void.

89907. No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provisions of Section 89906, nor shall any member of such board be disqualified or deemed guilty of misconduct in office under said provisions, if the circumstances specified in the following subdivisions exist:

(a) The fact of such financial interest is disclosed or known to the governing board and noted in the minutes, and the governing board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested member or members, and (b) The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

89908. The provisions of Section 89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

(a) The contract or transaction is between an auxiliary organization and a member of the governing board of that auxiliary organization.
(b) The contract or transaction is between an auxiliary organization and a partnership or unincorporated association of which any member of the governing board of that auxiliary organization is a partner or in which he is the owner or holder, directly or indirectly, of a proprietorship interest.
(c) The contract or transaction is between an auxiliary organization and a corporation in which any member of the governing board of that auxiliary organization is the owner or holder, directly or indirectly, of 5 percent or more of the outstanding common stock.
(d) A member of the governing board of an auxiliary organization is interested in a contract or transaction within the meaning of Section 89906, and without first disclosing such interest to the governing board at a public meeting of the board, influences or attempts to influence another member or members of the board to enter into the contract or transaction.

7. Implementation Procedures

7.1 Board Members, managers, exempt employees, and contracted consultants of the auxiliary organizations will annually file conflict of interest statements as follows:

7.1.1 Board Members will annually complete and submit the Related Parties Questionnaire.

7.1.2 Managers/Exempt Employees/Consultants will annually complete and submit the Statement of Economic Interests (FPPC Form 700) at http://www.fppc.ca.gov/index.html?id=36.

8. Approvals

[Signatures and Dates]

Print Name, Department
1) Have you or any related party of yours had any interest, direct or indirect, in any of the following transactions since July 1, 20__ to which the Cal State East Bay Educational Foundation was, or is to be, a party?

<table>
<thead>
<tr>
<th>Transaction</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale, purchase, exchange, or leasing of property?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receiving or furnishing of goods, services, or facilities?</td>
<td></td>
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<tr>
<td>Transfer or receipt of compensation, fringe benefits, or income or assets?</td>
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</tr>
<tr>
<td>Maintenance of bank balances as compensating balances for the benefit of another?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other transactions?</td>
<td></td>
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</tr>
</tbody>
</table>

2) Do you or any related party of yours have any interest, direct or indirect, in any of the following pending or incomplete transactions to which the Cal State East Bay Educational Foundation is, or is to be, a party?

<table>
<thead>
<tr>
<th>Transaction</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale, purchase, exchange, or leasing of property?</td>
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</tbody>
</table>

Have you or any related party of yours been indebted to or had a receivable from the Cal State East Bay Educational Foundation at any time since July, 20__? Please exclude amounts due for ordinary travel and expense advances.

YES _____ NO _____

3) Do you know of any related party or any other person or entity that has misappropriated assets or committed other forms of fraud against the organization?

YES _____ NO _____

4) Do you know of any person or organization that should be receiving this questionnaire?

YES _____ NO _____

5) Have you or any related party of yours had any interest, direct or indirect, in any transactions since July 1, 20__ or in any pending or incomplete transactions, to which any pension, retirement, savings, or similar plan provided by Cal State East Bay Educational Foundation was, or is to be, a party? Do not include payments to a plan or payments by the plan made pursuant to the terms of the plan.

YES _____ NO _____

6) Do you receive compensation from any other organization, whether tax-exempt or taxable, that are related to this organization through common supervision or common control?

YES _____ NO _____

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature: ___________________________ Date ________________