

ASI/SC Conflict of Interest Policy

PURPOSE

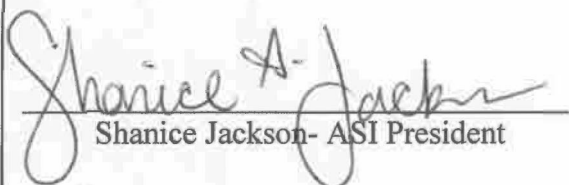
Associated Students Inc. (ASI) and the University Student Center (SC) are legal entities under State law and subject to specific statues, regulations, and policies of State, Federal, and some time local governments. Based upon the authority cited, both ASI and SC are required to adopt a conflict of interest policy and procedures for members of their governing boards, employees, and volunteers.

POLICY

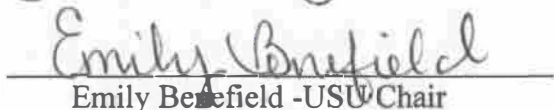
No member of the Board of Directors, Officer, Employee, and Volunteer shall be financially interested in any contract or other transaction entered into by the Board that is not in accordance with the conflict of interest provisions set forth in California Education Code Sections 89906-89909. Each member of ASI and SC shall sign the Statement of Compliance form upon becoming a Director, Officer, employee or volunteer of ASI or SC.

This policy was voted on and approved by the:
ASI Board of Directors on December 04, 2012
SC Board of Directors on December 06, 2012

The following signatures by the ASI President and SC Chair verify the approval of the ASI and SC Board of Directors:


Shanice Jackson- ASI President

2.12.13
Date


Emily Benefield -USU Chair

2.11.13
Date

** This policy may be amended by a two-thirds vote of the ASI and SC Board of Directors.*

ASI/SC Conflict of Interest Policy

Approved

ASI: 12/04/12

SC: 12/06/12

PROCEDURE

1.0 Guidelines

- 1.1 Under the California Corporation Code, Section 5231: (a) A director shall perform the duties of a director, including duties as a member of any committee of the board upon which the director may serve, in good faith, in a manner that director believes to be in the best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
- 1.2 No members of the ASI and SC Board of Directors, standing committees, or direct appointees of said Board, committee or council shall be financially interested in any contract or other transaction entered into by the Associated Students and/or University Student Center. Any contract or transaction entered into in violation of this section is void.
- 1.3 As provided by the California Education Code, Section 24059, an exception to this aforementioned rule calls for an adequate disclosure of the individual's financial interest to the BOD, if there is sufficient vote to ratify without counting votes of those financially interested, and the contract is just and reasonable of the case in question.
- 1.4 Section 24060 limits the scope of this exception. Essentially, the only type of contract an auxiliary organization may enter into with an organization in which a member of the Board is financially interested is the case when the Board member owns less than five percent of the common stock of the other contracting party and discloses this fact before the contract is discussed by the Board of the auxiliary organization.
- 1.5 No Director, Officer, or employee of ASI or SC may accept gifts, either in financial or non-financial form, from vendors or those seeking to do business with ASI or SC. They will also avoid a conflict of interest in relations with vendors, contractors and consultants doing business with, or seeking to do business with ASI or SC.
- 1.6 Any non-financial compensation, such as gifts or rewards, received from non-vendors and those not seeking to conduct direct business with ASI or SC, and exceeding \$ 25 in value shall be reported to the ASI/SC Executive Director unless the ASI/SC Executive Director receives gifts or rewards, and in such case shall report receiving them and their monetary value directly to the Board of Directors. A Director, officer, employee, or volunteer may not accept any gift if it appears that it is given to influence or reward official action.
- 1.7 It is the responsibility of any board member to abstain from voting in such situations in which a conflict of interest may be present.

- 1.8 No Director, Officer, employee, or volunteer of ASI or SC will be allowed to use confidential information gained through their position for his/her personal gain.
- 1.9 No ASI or SC office or other facility, supplies or assets may be used in any way for the development, administration or advancement of any program(s), campaign(s), or activity(ies) which are not officially endorsed or sponsored (solely or in part) by ASI or SC.
- 1.10 No program or employees of ASI or SC may endorse any specific candidate (local, state or national) using his/her title or position within ASI or USU.

2.0 Reporting

- 2.1 Should evidence or allegations of violations of the Conflict of Interest policy by Directors, Officers, or employees of ASI or SC come to the attention of the Chair/President of the Board, which after further review by the Chair/President appears to constitute a breach of the Conflict of Interest policy, the Chair/President shall forward all relevant information to the Rules committee for review, perspective, and recommendation of the violation on the resolution to their respective Board.
- 2.2 If the Chair/President of the BOD has violated the Conflict of Interest policy, the Executive Director shall review further and if it appears to constitute a breach of the Conflict of Interest policy, the Executive Director shall forward all relevant information to the ASI/SC Rules Committee for review, perspective, and recommendation of the violation on the resolution to their respective Board.

3.0 Statement of Compliance

- 3.1 Each member of ASI and SC shall sign the Statement of Compliance form upon becoming a Director, Officer, or employee of ASI or SC.

4.0 Additional Guidelines

- 4.1 No Board member shall be allowed to sit as a member of the SC Board of Directors while as a Board member of the ASI Board of Directors, be employed by the University Student Center or Associated Student Union, or be a volunteer with both ASI/SC.
- 4.2 The aforementioned policy does not apply to the ASI representative on the SC Board of Directors or the Dean of Students.
- 4.3 No Board of Director, Officer, Employee, or volunteer member shall be eligible to win any prize provided at any ASI or SC event as long as it is a game of chance. A game of chance is defined as any game that includes a raffle or where the outcome is probabilistic by nature. Board members shall be eligible to win prizes provided at ASI or SC events as long as it is a game of skill. A game of

skill is defined as any game where the outcome is determined entirely by mental and/or physical skill, rather than by pure chance.

- 4.4 Members of the ASI and SC Board of Directors, Executive Officers, volunteers, employees may participate in ASI and SC activities who do not have any direct involvement in planning, marketing, and/or budgeting in that particular event or activity. These guidelines are up to the discretion of the ASI/SC Executive Director and must be reported to the ASI President and/or SC Chair.