
SECTION: POLICY - CONFLICT OF INTEREST CERTIFICATION

SUBJECT:

PURPOSE: To restate statutory standards of conduct applicable to the Board members, and to establish a policy framework of parallel standards for volunteers, employees and other representatives of the organization.

EFFECTIVE DATE: June 1, 2023

HISTORICAL: December 7, 2017

OTTER STUDENT UNION (OSU) BOARD OF DIRECTORS

Conflict of Interest Certification

As a matter of public trust, the Otter Student Union avoids conflicts of interest. In addition, as a California State University Auxiliary Organization, the Otter Student Union is subject to provisions of the California State Education Code, California State University policies, and its own bylaws and policies regarding conflicts of interest.

Section 6.1 of the California State University Compilation of Policies and Procedures for Auxiliary Organizations refers to the conflict of interest policy contained in the California Education Code, Section 89906 which states that:

“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 he is a member, and any contract or transaction entered into in violation of this section is void.”

Section 9.1 of the OSU Board of Directors bylaws states that:

(a) No Director of the Board, including Officers, of OSU, nor any other corporation, firm, association, or other entity in which one or more of OSU's Directors of the Board are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with OSU, unless (i) the material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all Directors of the Board prior to consideration by the Board of such contract or transaction; (ii) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s) of the Board; (iii) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that OSU could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (iv) OSU enters into the transaction for its own benefit, and the transaction is fair and reasonable to OSU at the time the transaction is entered into.

(b) The provisions of this Section do not apply to a transaction which is part of an educational or charitable program of OSU if it: (i) is approved or authorized by OSU in good faith and without unjustified favoritism; and (ii) results in a benefit to one or more Directors of the Board, including Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of OSU.

Section 9.2 of the OSU Board of Directors bylaws states that:

“OSU shall not make any loan of money or property to or guarantee the obligation of any Director of the Board, including Officers, unless approved by the Attorney General of the State of California; provided, however, that OSU may advance money to a Director of the Board of OSU for expenses

reasonably anticipated to be incurred in the performance of the duties of such Director of the Board, provided that in the absence of such advance such Director of the Board would be entitled to be reimbursed for such expenses by OSU.”

Section 9.3 of the OSU Board of Directors bylaws states that:

“Except as otherwise authorized by action of the Board, no Director of the Board or agent of OSU may enter into any contract, or execute or endorse any instrument in the name of, or on behalf of, OSU. This restriction shall not be construed to limit the authority of authorized officers or agents of OSU to make or enter into contracts, agreements or expenditures for the maintenance and operation of OSU when previously authorized by the Board or a designee.”

Further, California Education Code Section 89909 states that:

“It is unlawful for any person to utilize any information, not a matter of public record, which is received by him by reason of his membership on the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he is or is not a member of the governing board at the time such gain is realized.”

The following relationships and circumstances are specifically prohibited:

- (i) Any contract, other than an employment contract, directly between the Otter Student Union and a Director,
- (ii) Any contract between the Otter Student Union and a partnership or unincorporated association in which a Director is a partner, owner, or holder, directly or indirectly, of a proprietorship interest,
- (iii) Any contract between the Otter Student Union and a for-profit corporation in which a Director is the owner or holder, directly or indirectly, of five percent or more of the outstanding equity stock,
- (iv) A Director who is interested in a contract or transaction who influences or attempts to influence another Director to enter into the contract or transaction without first disclosing such interest to the OSU Board of Directors at a public meeting of the board

The OSU Board **Conflict of Interest Policy** is listed as **Section No. 02, Policy Manual Document No. 151817**. Members of the Board are required at least annually to acknowledge in writing their acceptance of these requirements and to disclose any potential conflicts of interest.

Otter Student Union, Conflict of Interest Disclosure Statement

By signing below, I affirm that:

- I have received and read a copy of the Conflict of Interest Policy;
- I agree to comply with the policy;
- I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

- any entity in which you participate (as a director, officer, employee, owner, or member) with which the OSU/Corporation has a relationship;
- any transaction in which the OSU/Corporation is a participant as to which you might have a conflicting interest; and
- any other situation which may pose a conflict of interest.

Board Member Name (Printed)

Date

Board Member Signature