



CALIFORNIA STATE UNIVERSITY
BAKERSFIELD

Conflict of Interest Policy

Revised: August 24, 2022



CONFLICT OF INTEREST POLICY

Any member of the California State University, Bakersfield, **Foundation** (CSUB FND) Board of Directors (Board) are expected to: (a) avoid conflicts between their financial interest (see below) and the interests of CSUB FND, (b) disclose any financial interest and all material facts relating thereto to the CSUB FND, (c) avoid participating in any discussion, influencing any decision or voting on any transaction or arrangement involving the financial interest and CSUB FND, (d) avoid the misuse of nonpublic information, acquired as a member, for personal gain or for the benefit of any entity or person who would have a financial interest if this policy were otherwise applicable to said entity or person, and (e) comply with California Education Code §89906 through §89909 (see below).

Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment or family (spouse and children, or anyone occupying the same household as the member): (a) an ownership or investment interest in any entity with which CSUB FND has a transaction or business arrangement, (b) a compensation arrangement with any entity or individual with which the CSUB FND has a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the CSUB FND is negotiating a transaction or arrangement.

Conflict of Interest: Generally, a conflict of interest exists when the Board determines a member's financial interest conflicts with the interests of the CSUB FND. Notwithstanding the foregoing, certain circumstances always represent a conflict of interest: (a) transactions between CSUB FND and a Board member, (b) transactions between CSUB FND and a partnership or unincorporated association of which a Board member holds, directly or indirectly, any proprietary interest, (c) transactions between CSUB FND and a corporation of which a Board member holds, directly or indirectly, five percent (5%) or more of the outstanding common stock, and (d) any transaction where a Board member has a financial interest that is not disclosed, or when the member attempts to influence other members of the Board to enter into the contract or transaction.

Disclosure: Any financial interest of any member of the Board shall be disclosed by the member to the Chair of the Board promptly, as soon as the financial interest is discovered, and thereafter, at least annually, as long as it exists. Further, when any such financial interest becomes relevant to any matter before the Board or a Committee of the Board, the member having the financial interest shall call it to the attention of the Chair of the Board or of such Committee.

Participation: The member having a financial interest as defined herein, shall not participate in any discussions of the subject, use any personal influence in the discussion of the subject including without limitation, make any recommendations in relation thereto, participate in any vote by the CSUB FND regarding the determination of whether a conflict of interest exists. However, the member is expected to answer pertinent questions from Board when the member's knowledge of the subject will assist the Board in determining whether a conflict exists. The minutes of any meeting at which the subject involving the conflict is discussed shall reflect that a disclosure was made and that the financially interested member refrained from discussion, except to the extent provided above, and did not vote on the subject.

Statement: I hereby certify the following: I have read and understand this CSUB FND's Conflict of Interest Policy and will follow such policy diligently. To the best of my knowledge and belief, except as disclosed below, I do not have any financial interest that must be disclosed at this time. If any such financial interest arises, I will disclose the same immediately. I will observe the prohibition on influencing members of the Board and participating in any Board action relating to any such financial interest.

Printed Name

Signature

Date

I hereby disclose the following financial interest(s) (if none, state none): _____

CALIFORNIA EDUCATION CODE

§89906 FINANCIAL INTEREST PROHIBITED. 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/she is a member, and any contract or transaction entered into in violation of this section is void.

§89907 EXCEPTION. No contract or other transaction entered into by the governing board of an auxiliary organization is void under the provisions of §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 exists:

- 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
- The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved.

§89908 CERTAIN PROVISIONS NOT APPLICABLE. The provisions of §89907 shall not be applicable if the circumstances specified in any of the following subdivisions exists:

- The contract or transaction is between an auxiliary organization and a member of the governing board of that auxiliary organization.
- 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.
- 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 five percent (5%) or more of the outstanding common stock.
- A member of the governing board of an auxiliary organization is interested in a contract or transaction within the meaning of §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.

§89909 UNLAWFUL TO UTILIZE NONPUBLIC INFORMATION FOR PERSONAL PECUNIARY GAIN. It is unlawful for any person to utilize any information, not a matter of public record, which is received by him/her by reason of his/her membership of the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he/she is or is not a member of the governing board at the time such gain is realized.