

Conflict of Interest

NEW/REVISED POLICY: Revised May 28, 2025

Effective Date: May 28, 2025

BACKGROUND AND PURPOSE

In accordance with Section 89006 of the California Education Code and to uphold the highest ethical standards, this policy establishes guidance for identifying and managing conflicts of interest and conduct expectations for all representatives of Associated Students, Incorporated (ASI). This includes directors, officers, employees, volunteers, and others acting on ASI's behalf.

It is ASI's policy that representatives conduct themselves with honesty, integrity, and in the best interest of the organization. Employees, directors, and officers must avoid situations in which their private interests conflict — or appear to conflict — with their duties or responsibilities at ASI.

POLICY - GOVERNING BOARD

Except as otherwise provided by law, the following shall govern financial transactions between the Corporation and its officers or directors.

Prohibited Transactions:

ASI shall not enter into contracts or transactions in which an ASI director or officer has a financial interest, including the following circumstances:

- The contract is between ASI and the director/officer directly.
- The contract involves a partnership or unincorporated association in which the director/officer has an ownership interest.
- The contract involves a corporation in which the director/officer owns or holds 5% or more of the outstanding stock.
- The director/officer attempts to influence such a transaction without publicly disclosing the financial interest to the Board.

Permissible Transactions:

In other cases, ASI may enter into contracts with interested directors or officers **only if**:

- The financial interest is fully disclosed to the Board and documented in the minutes of a public meeting.
- The Board authorizes the transaction in good faith, with a two-thirds vote of the disinterested directors.
- The transaction is fair and reasonable to ASI at the time of approval.

Loans to Directors:

No loans of money or property shall be made to ASI directors or officers unless approved by the California Attorney General, except for reasonable advances related to ASI duties.

Conflict of Interest Statement:

At the start of each term of office, all ASI Board of Directors members, including ex-officio and officers, must sign a Conflict of Interest Statement to be retained by the UUAB Chair/Corporate Secretary.

Non-Financial Conflicts:

Directors and officers must not participate in discussions or decisions that would result in personal benefit or detriment. They are required to disclose such conflicts and recuse themselves from related matters.

POLICY — ASI STUDENT GOVERNMENT MEMBER AS STUDENT EMPLOYEE

It is a conflict of interest for ASI to employ members of ASI Student Government and require those individuals to have the responsibility of governing and making decisions regarding the organization by which they are employed. Because of this conflict, it is necessary to separate the roles by not allowing a student to simultaneously hold a position in ASI Student Government and be employed by ASI.

POLICY — EMPLOYEES

ASI expects all employees to act with impartiality, particularly in financial transactions and procurement. Employees are not to:

- Engage in any activity inconsistent with or in conflict with their ASI duties.
- Use ASI resources or influence for personal gain.
- Participate in any ASI transaction in which they or a close relation have a personal financial interest.
- Accept gifts or gratuities from vendors or suppliers that could reasonably be perceived as influencing their judgment.

Examples of Prohibited Gifts:

- Cash or cash equivalents
- Personal loans
- Lavish meals or entertainment
- Tickets to professional sporting events
- Expensive or frequent gifts

Examples of Permissible Items (when modest and customary):

- Promotional items (e.g., pens, keychains)
 - Modest meals during business meetings
 - Occasional gifts tied to personal events (e.g., holidays or weddings), not exceeding \$100 in value
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When in doubt, employees must consult their supervisor or the ASI Executive Director. Employees may not use their position to make, participate in, or influence decisions in which they have a disqualifying conflict of interest.

Annual disclosure statements are required upon appointment to certain designated positions and are updated annually.

REPORTING AND RESPONSIBILITY

Employees must consult their supervisor or the ASI Executive Director if there is any doubt about a potential conflict. No adverse action will be taken against an employee who, in good faith, reports a suspected violation.

