

San Diego Committee on Employment for People with Disabilities
Conflict of Interest Policy
2019

Article I: Purpose

The purpose of the conflict of interest policy is to protect San Diego Committee on Employment for People with Disabilities (AKA SDCEPD) interest when it is approving of new members, considering sponsorship, providing resources and/or representing SDECPD while in community or at large. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II: Definitions

1. Interested Person
 - a. Any director, principal officer, or member of SDCEPD, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Organization
 - a. San Diego Committee on Employment for People with Disabilities or SDCEPD
3. Executive Board
 - a. Appointed Person in the position of Chair/ CEO, Vice Chair, Executive Secretary, Treasurer/CFO, Liaisons and Sub-Committee Chairs as described by the Organization outline.
4. Financial Interest
 - a. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - i. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
 - ii. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
 - iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
5. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest.
 - a. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Executive Board decides that a conflict of interest exists.

Article III: Procedures

1. Duty to Disclose
 - a. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists
 - a. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the Executive Board Members will then have a closed session meeting while the determination of a conflict of interest is discussed and voted upon. The Executive Board Members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest

- a. An interested person may send in writing a statement to the Executive Board Members which will then be discussed at the next Executive Board Meeting, he/she, if apart of the Executive Board, shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The Chair of the Organization or Executive Board shall, *if appropriate*, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement if need.
 - c. After exercising due diligence, the Executive Board, shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Executive Board, shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. Violations of the Conflicts of Interest Policy
- a. If the Executive Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain, in writing, the alleged failure to disclose.
 - b. If, after reviewing the member's response and after making further investigation as warranted by the circumstances, the Executive Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the Executive Board shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Executive Board as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V: Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation. A voting member of *any committees* of SDCEPD shall annually sign a statement which affirms such person:

- a. Has been given or the organization has posted publically the conflicts of interest policy,
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

- e. Has completed and signed the Membership Application in January of each year or at time of new membership with the Organization.

Article VI: Periodic Reviews

To ensure the Organization operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Article VII: Use of Outside Experts

When conducting the periodic reviews as provided for in Article VI, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

This Conflict of Interest Policy shall be adopted to expand upon the current Bylaws enacted on December 16, 2015. This Conflict of Interest Policy does not supersede the current Bylaws of 2015.