

CONFLICT OF INTEREST POLICY

HSU Sponsored Programs Foundation recognizes the need to assure that conflict of interest is not a part of decision-making. Accordingly, the following code sections will be followed:

No member of the Governing board of a state college 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 24058 of California Education Code)

No contract or other transaction entered into by the governing board of a state college auxiliary organization is void under the provisions of Section 24058, 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 exist:

- (a) 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
- (b) The contract or transaction is just and reasonable as to the auxiliary organization at the time it is authorized or approved. (Section 24059 of California Education Code).

The provisions of Section 24059 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

- (a) The contract or transaction is between a state college auxiliary organization and a member of the governing board of that auxiliary organization.
- (b) The contract or transaction is between a state college 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.
- (c) The contract or transaction is between a state college 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 5 percent or more of the outstanding common stock.
- (d) A member of the governing board of a state college auxiliary organization is interested in a contract or

trans- action within the meaning of Section 24058, 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.
(Section 24060 of California Education Code)

Board Member Signature

Date

HSU SPF