Conflict of Interest Policy
Associated Students, Inc.
California State University, Dominguez Hills

The mission of the Associated Students, Inc. (ASI) is to provide leadership opportunities for the students that will ensure responsible and effective participation in the governance of the campus. ASI advocates for student rights, render an official voice through which students’ opinions may be expressed and provide educational, social and cultural activities which enhance student life at California State University, Dominguez Hills.

This shared responsibility brings with it possibilities for conflicts of interest and conflicts of commitment (referred to jointly as “conflicts”). Conflicts may arise from the different but related positions that individual Senate members may hold on the University campus and in other organizations or entities.

An ASI Senate member may find himself or herself in a position where the Senate member may be called on to vote on matters that affect an organization or entity that he or she represents in another capacity. This concern reaches not only voting on such matters, but taking part in discussions, or being present during deliberations or other actions that may benefit the other organization entity or that may harm ASI.

In addition, an ASI Senate member may find that he or she has access to information held by ASI that could be used to negatively affect the future operations, goals or status of ASI, or to benefit another organization or entity. Conversely, an ASI Senate member may find that he or she has access to information held by another organization that could be used to negatively affect the future operations, goals, or status of ASI.

To address the concerns surrounding possible conflicts and to prevent conflicts from hindering the participation of Senate members in the governance process, ASI has looked to the California Education Code and the California Corporations Code for guidance. The result is a policy that seeks to deface conflicts, so that Senate members can access their activities within ASI and with other organizations and entities.

It is not the intent of this policy to regulate or eliminate all conflicts, but rather to enable Senate members to recognize situations that may be subject to question and ensure that such situations are properly disclosed and, if necessary, reviewed and resolved. Thus, an integral part of the policy is a disclosure mechanism whereby Senate members regularly review their roles on other boards and their activities, with their responsibilities to ASI clearly in mind.

Types of Conflict:

A. **Conflicts of Commitment**
With the acceptance of an appointment to the Associated Students, Inc. Senate, an individual makes a commitment to ASI that is understood to be a commitment in the most inclusive sense. Senate members are expected to act with professional loyalty within their roles as directors of ASI. Accordingly, they should arrange outside activities, loyalties and financial interests so as not to interfere with this responsibility.

**General Duty of Care**
Directors of Public Benefit Corporations, such as ASI, are held to a general duty of care. This standard requires that a director follow the prudent person rule. The director must act in good faith, in the best interests

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of the corporation, after reasonable inquiry, with the care of an ordinarily prudent person under similar circumstances (See Cal. Corp. Code § 5231 (a.))

Directors should use this standard to gauge their involvement in other organizations or entities. Most important is the legal requirement to act in the best interests of ASI.

**Outside Directorships and Activities**

ASI recognizes that its members may participate as officers and Senate members of other campus and outside organizations and entities. To the extent that these activities serve ASI’s interests, as well as those of the participant, ASI encourages such involvement. However due to the working relationship and nature of the organizations, Senate members should not serve as paid program employees or student assistants in the Office of Student Life, Toro Productions and/or the Multicultural Center.

**Participation in Decisions Affecting Other Interests**

Each Senate member must be aware that situations may arise where he or she may be asked by ASI to participate in a decision that may affect an organization or entity which that Senate member represents in another capacity. Likewise, the Senate member may be asked by another organization, voting, or the mere presence during deliberations, discussions, or voting on such matters. In such cases, the Senate member must act in a manner consistent with his or her professional loyalty and fiduciary obligation to ASI. If uncertain a conflict exists, the Senate member should recuse himself or herself from discussions, deliberations and voting on the matter or follow the disclosure procedures outlined in Disclosure and Review Procedures.

Additionally, a Senate member has a duty to present to the Senate information the Senate member may obtain that potentially hurts ASI including, but not limited to, its current and future operations, goals, or status, even if it involves another member of the Senate.

All Senate members shall maintain the confidentiality of any and all sensitive or confidential matters discussed by the Senate or its subcommittees, as well as issues that are discussed in closed session of the Senate.

**B. Conflicts of Interest**

**Financial Interest**

A Senate member is considered to have a conflict of interest when he or she, any family member, or any associated entity possesses a financial interest in an activity that involve his or her responsibilities as a Senate member of ASI.

No member of the Senate shall be financially interested in any contract or other transaction entered into by the Senate of which he or she is a member, and any contract or transaction entered into in violation of this section is void. (See Cal. Educ. Code § 899066)

No contract or other transaction entered into shall be void nor shall any member of the Senate be disqualified or deemed guilty of misconduct if:
- The fact of such financial interest is disclosed or known to the governing Senate and noted in the Minutes, and the governing Senate 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 ASI at the time it is authorized or approved. (See Cal. Educ. Code § 89907 (a)(b.).)

These exceptions, however, will not apply if one of the following circumstances exist:
- The contract or transaction is between ASI and a member of the governing Senate of ASI
- The contract or transaction is between ASI and a partnership or unincorporated association of which any member of the Senate of ASI is a partner or in which he or she is the owner or holder, directly or indirectly, or a proprietorship interest
C. The contract or transactions between ASI and a corporation in which any member of the Senate of ASI is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding common stock.

D. A member of the Senate of ASI is interested in a contract or transaction, and without first disclosing such interest another member or members of the Senate to enter into the contract or transaction (See Cal. Educ. Code § 89908 (a)(b)(c)(d)).

Utilization of Public Information

It is unlawful for any person to utilize any information, not a matter of public record, which is received by him or her by reason of his or her membership on the Senate of ASI, for personal pecuniary gain, regardless of whether he or she is not a member of the Senate at the time such gain is realized (See Cal. Educ. Code § 89909).

Self-Dealing Transactions

Directors are prohibited by law from engaging in self-dealing transactions to which the ASI is a party and in which one or more directors have a material financial interest. A mere common directorship is not in itself a material financial interest. (See Cal. Educ. Code § 5233 (a), § 5234).

There are exceptions from the definition of self-dealing transactions and they are:

1. Actions fixing the compensation of directors or officers;
2. Transactions that are part of public or charitable programs that benefit a class of which directors or their families are members;
3. Transactions of which interested gross annual receipts or $100,000, whichever is smaller (See Cal. Corp. Code § 5233 (b) (1)(2)(3).)

Directors are thus liable to ASI for self-dealing transactions, unless the transaction was approved by one of the following:

1. Approval by the Attorney General, or by court in an action in which the Attorney General was an indispensable party, either before or after confirmation of the transaction;
2. Approval before consummation of the transaction by a disinterested board under the following circumstances:
   a. ASI entered into the transaction for its own benefit.
   b. Transaction was fair and reasonable to ASI.
   c. More advantageous arrangements could not have been made with reasonable effort
3. Interim approval by a committee having authority for the Senate, where immediate action was needed and action by the full Senate was not feasible, and ratification by the full Senate at its next meeting, under the circumstances listed in (2) above. (See Cal Corp Code § 5233 (d) (1)(2)(3).)

Disclosure and Review Procedures:

If a Senate member finds that he or she is faced with a possible conflict, the Senate member shall inform, in writing, the ASI President, who shall have the affirmative duty to advise the Student Judiciary of the conflict as soon as possible.

The Student Judiciary, with advice as needed from ASI’s attorneys, shall review the circumstances surrounding the possible conflict and shall make a determination as to whether an actual conflict exists. If a conflict is found to exist, the Judiciary shall present the information to the Senate member, with a recommendation that the Senate member rescues himself or herself from any further discussions, deliberations, voting or presence on the matter to alleviate or avoid the conflict or potential conflict, or take other appropriate action as required.

If a Senate member has knowledge of a possible or actual conflict involving another member of the Senate, the Senate member who has acquired the information has an affirmative duty to disclose, in writing, such information to the ASI President. Procedures as outlined above shall subsequently be followed. Where such a possible or actual conflict involves the ASI President, disclosure shall be made, in writing, to the General Manager, who shall then
follow the procedures above and inform the President if a conflict is determined to exist, as a recommendation as described above.

In such cases where the Judiciary determines that a Senate member has knowingly violated this Conflict of Interest Policy by failing to disclose a possible conflict, by ignoring the Senates directive to cease or modify activities or conduct posing a conflict or potential conflict, or in any other manner knowingly and purposefully acted in a way that violated the spirit or purpose of this Conflict of Interest Policy, the Student Judiciary.

The Judiciary shall recommend the disciplinary action to the Senate. Such action shall include, but not be limited to (1) a notice to the Senate member’s appointing constituency or body of the specific activities or conduct which constitute the violation, (2) the specific provisions of this Conflict of Interest Policy which have been violated, and (3) a recommendation for an appropriate sanction or sanctions by that constituency or body.
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Conflict of Interest Agreement

The purpose of this conflict of interest policy is to protect the exclusive right and integrity of information, services and various interest of the Associated Students, Inc. (ASI) at California State University, Dominguez Hills.

A conflict of interest is any situation in which an employee has a personal economic interest with the potential of being in conflict with the best interest of ASI. Examples of conflict of interest situation include but are not limited to the following:

- Investing in stock with any supplier of ASI where the auxiliary purchases are a significant influence to the supplier’s performance;
- Engaging in any transaction or employment that could be competitive with activities or objectives of ASI;
- Engaging in any transactions or employment that could be considered supplying goods or services to ASI;
- Purchasing property of goods for personal use at prices negotiated for ASI;
- Participating in any personal financial dealing with any individual or business organization furnishing merchandise, supplies, property, or services to ASI;
- Accepting gifts, favors, or conveniences that go beyond the moderate courtesies associated with good business practices;
- Using any ASI information that is not a matter of public record for personal gain during or after their employment with ASI;
- Using any items, written material, or graphics produced for ASI, for personal gain during or after their employment with ASI;
- Using any ASI equipment or resource for personal gain.

It should be noted that a conflict of interest situation might also result from an employee’s family member’s or friend’s dealings with the auxiliary.

Good judgment, high ethical standards, and honesty are a must in all business dealings. Even the appearance of a possible conflict of interest is discouraged and is in violation of ASI policy. If an employee questions whether a situation represents potential conflict of interest, the employee should discuss it immediately with his/her supervisor.

Employees involved in conflict of interest situations may be subject to disciplinary action up to and including dismissal.

Your signature below verifies that you understand this conflict of interest statement and willingly accept responsibility for compliance.

______________________________
Employee Printed Name

______________________________  __________
Employee Signature            Date