



Friends of Sausal Creek

Promoting Watershed Protection

CONFLICT OF INTEREST POLICY January 12, 2010

The purpose of the following policy and procedures is to complement Friends of Sausal Creek bylaws to prevent the personal interest of staff members, board members, and volunteers from interfering with, or appearing to interfere with, the performance of their duties to Friends of Sausal Creek, or result in actual or perceived personal, financial, professional, or political gain on the part of such persons at the expense of Friends of Sausal Creek or its members, supporters, and other stakeholders.

Definitions: Conflict of Interest (also Conflict) exists when a person in a position of trust has a direct or indirect business, professional, or personal situational relationship that might influence, or be perceived to influence, her/his actions when serving Friends of Sausal Creek. Persons in a position of trust include staff members, officers, and board members of Friends of Sausal Creek. *Board* means the Board of Directors. *Officer* means an officer of the Board of Directors. *Volunteer* means a person--other than a board member--who does not receive compensation for services or expertise provided to Friends of Sausal Creek and retains a significant independent decision-making authority to commit resources of the organization. *Staff Member* means a person who receives all or part of her/his income from the payroll of Friends of Sausal Creek. *Supporter* means corporations, foundations, individuals, 501(c)(3) nonprofits, and other nonprofit organizations who contribute to Friends of Sausal Creek.

POLICY AND PRACTICES

The most fundamental concept in the area of conflict of interest is full disclosure.

1. Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, as defined above, which may include but is not limited to the following:
 - a. A board member is related to another board member or staff member by blood, marriage or domestic partnership.
 - b. A staff member in a supervisory capacity is related to another staff member whom she/he supervises.
 - c. A board member or their immediate family or business associate or their organization stands to benefit from a Friends of Sausal Creek transaction or staff member of such organization receives payment from Friends of Sausal Creek for any subcontract, goods, or services other than as part of her/his regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.

- d. A board member's organization receives grant funding from Friends of Sausal Creek.
 - e. A board member or staff member, or her/his immediate family member or business associate, is a member of the governing body of a contributor to Friends of Sausal Creek.
 - f. A volunteer working on behalf of Friends of Sausal Creek who meets any of the situations or criteria listed above.
 - g. Anyone in a position to make decisions about spending Friends of Sausal Creek's resources (i.e., transactions such as purchases contracts)--who also stands to benefit from that decision--has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any final decisions.
2. Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so, the Board shall vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect Friends of Sausal Creek's best interests. In making this determination, the best interest of the Friends of Sausal Creek should be the sole criteria. Both votes shall be by a majority vote of the directors then in office without counting the vote of any interested director, even if the disinterested directors are less than a quorum provided that at least one consenting director is disinterested. When a conflict of interest arises, in addition to required disclosure, and until the Board of Directors requires otherwise pursuant to this policy, the person with the conflict shall use their best judgment as to whether and to what extent they should recuse themselves from deliberations, voting, decision-making, and other participation with respect to the matter at issue, as well as whether they should resign from an office or position. In making this determination, the best interests of the Friends of Sausal Creek should be the sole criteria.
 3. A Board member or Friends of Sausal Creek Committee member who is formally considering employment with Friends of Sausal Creek must take a temporary leave of absence until the position is filled. Such a leave will be taken within the Board member's elected term which will not be extended because of the leave. A Board member or Committee member who is formally considering employment with Friends of Sausal Creek must submit a written request for a temporary leave of absence to the Secretary of the Board, c/o the Friends of Sausal Creek office, indicating the time period of the leave. The Secretary of Friends of Sausal Creek will inform the Chair of the Board of such a request. The Chair will bring the request to the Board for action. The request and any action taken shall be reflected in the official minutes of the Friends of Sausal Creek Board meeting.
 4. An interested Board member, officer, or staff member shall not participate in any discussion or debate of the Board of Directors, or of any committee or subcommittee thereof in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present board or committee member.

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5. A copy of this policy shall be given to all Board members, staff members, volunteers or other key stakeholders upon commencement of such person's relationship with Friends of Sausal Creek or at the official adoption of stated policy. Each board member, officer, staff member, and volunteer shall sign and date the policy at the beginning of her/his term of service or employment and each year thereafter. Failure to sign does not nullify the policy.
6. This policy and disclosure form must be filed, at minimum, annually by all specified parties. In addition, and pursuant to this policy, any relationship or circumstance that is created or arises in the interim should be disclosed to the Board of Directors as soon as possible.