Conflict of Interest Policy/Use of Non-Public Information

In accordance with regulations established by the California Legislature the following policy may apply to both the members of the governing board and any entity with which the board conducts official business, and references sections 89906-89909 of the California Education Code. Section 89909 pertains to the use of non-public information for personal gain.

California State University, Stanislaus requires its auxiliaries to operate in accordance with applicable regulations and policies of the CSU Board of Trustees and the campus. Auxiliary organizations are required to adopt a conflict of interest policy and procedures for members of their governing boards and employees. The following policy fulfills these requirements.

Pursuant to the mission of the ASI and will of the board all employees are subject to this policy.

Section 89906. No member of the governing board of the [CSU Stanislaus Associated Students, Inc.] 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 89907. No contract or other transaction entered into by the governing board of the [CSU Stanislaus Associated Students, Inc.] is void under the provision of Section 89906, nor shall any member of the 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 the auxiliary organization at the time it is authorized or approved.

Section 89908. The provision of Section 89907 shall not be applicable if the circumstances specified in any of the following subdivisions exist:

a) The contract or transaction is between [the CSUS ASI] and a member of the governing board of [the ASI].

b) The contract or transaction is between [the CSUS ASI] and a partnership or unincorporated association of which any partner or in which the owner or holder, directly or indirectly, of a proprietorship interest.

c) The contract or transaction is between [the CSUS ASI] 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 [the CSUS ASI] is interested in a contract or transaction within the meaning of Section 89906, 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 89909. It is unlawful for any person to utilize any information, not a matter of public record, which is received by him by reason of his membership on the governing board of [the CSUS ASI], for personal pecuniary gain, regardless of whether he is or is not a member of the governing board at the time such gain is realized.

Definitions
"Conflict of Interest" – a conflict of interest is defined as participating in or making decisions which could reasonably affect a person’s economic interests in a material way and that such participation would impact the person’s economic interest differently than other persons with the same association with ASI.

"Statement of Compliance" – the annual statement signed by each member of ASI’s board, which signifies that they have read and understood the provisions set forth in Education Code Sections 89906-89909 and are not financially interested in any contract or other transaction entered into by the auxiliary.

Disclosure of Conflict of Interest
To avoid contracts or transactions entered into by the governing board of ASI from being voided, a board member must disclose a financial interest that could be impacted by the action of the governing board. Under these circumstances the board member must refrain from any action to influence or approve such a transaction.

Reporting
ASI’s Administrative Director shall provide the Chief Executive Officer with a report of compliance with this policy. The report should include the names, positions, terms of office, and date compliance statements were signed. This report shall be forwarded to the Chief Financial Officer annually by June 15.

Violations of the conflict of interest policy shall be reported to the CSUS Chief Executive Officer upon discovery.

Note: Language with the following symbol [] denotes changes to the California Education Code to fit the needs of the CSUS Associated Students, Inc.

These guidelines may be amended by a two-third’s vote of the ASI Senate.

Adopted at a regular meeting of the Associated Students, Inc., Student Senate on this April 1, 2003.

Signed: 

Cesar Rumayor 4-7-07 Matthew Avilla 4-7-07
ASI President Date ASI Vice President/Speaker

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