

**CONFLICT OF INTEREST POLICY
ASSISTANCE LEAGUE® of ORANGE**

This conflict of interest policy is designed to help directors, officers, employees and members of ASSISTANCE LEAGUE of Orange (ALO) identify situations that present potential conflicts of interest and to provide ALO with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, employee, or member has, or may have, a conflict of interest with respect to the transaction. The policy is intended to comply with California state law governing conflicts of interest for directors of nonprofit corporations. All italicized terms are defined in Part 2 of this policy.

1. **Conflict of Interest Defined.** For purposes of this policy, the following circumstances shall be deemed to create *Conflicts of Interest*:

A. Outside Interests.

- (i) A *Contract or Transaction* between ALO and a *Responsible Person* or *Family Member*.
- (ii) A *Contract or Transaction* between ALO and an entity in which a *Responsible Person* or *Family Member* has a *Material Financial Interest* or of which such person is a director, officer, partner, trustee, receiver, guardian, custodian, or conservator.

B. Outside Activities.

- (i) A *Responsible Person* competing with ALO in the rendering of services or in any other *Contract or Transaction* with a third party.
- (ii) A *Responsible Person's* having a *Material Financial Interest* in; or serving as a director, officer, employee, partner, or trustee, of an entity or individual that competes with ALO in the provision of services or in any other *Contract or Transaction* with a third person.

C. Gifts, Gratuities and Entertainment. A *Responsible Person* accepting gifts, entertainment or other favors from any individual or entity that:

- (i) does or is seeking to do business with or is a competitor of ALO; or
- (ii) has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from ALO; or
- (iii) is a charitable organization;

under circumstances where it might be inferred that such action was intended to influence or possibly would influence the *Responsible Person* in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value which are not related to any particular transaction or activity of ALO.

2. **Definitions.**

- A. A *Conflict of Interest* is any circumstances described in Part 1 of this policy.
- B. A *Responsible Person* is any person serving as an officer, employee, or member of the Board of Directors of ALO or any member of ALO.
- C. A *Family Member* is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a *Responsible Person*.
- D. A *Material Financial Interest* in an entity is a financial interest of any kind which in view of all circumstances, is substantial enough that it would, or reasonably could, affect a *Responsible Person's* or *Family Member's* judgment with respect to transactions to which the entity is a party.

- E. A *Contract or Transaction* is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by ALO. The making of a gift to ALO is not a *Contract or Transaction*.

3. **Procedures.**

- A. Prior to Board or committee action on a *Contract or Transaction* involving a *Conflict of Interest*, a director, or committee member having a *Conflict of Interest* and who is in attendance at the meeting shall disclose all facts material to the *Conflict of Interest*. Such disclosure shall be reflected in the minutes of the meeting.
- B. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that a Board or committee will act on a matter in which the person has a *Conflict of Interest* shall disclose to the chairman of the meeting all facts material to the *Conflict of Interest*. The Chairman shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- C. A person who has a *Conflict of Interest* shall not participate in or be permitted to hear the Board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- D. A person who has a *Conflict of Interest* with respect to a *Contract or Transaction* that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a *Conflict of Interest* may not vote on the *Contract or Transaction* and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
- E. *Responsible Persons* who are not members of the Board of Directors of ALO, or who have a *Conflict of Interest* with respect to a *Contract or Transaction* that is not the subject of Board or committee action, shall disclose to the chairman or supervisor or their designees any *Conflict of Interest* that such *Responsible Person* has with respect to a *Contract or Transaction*. Such disclosure shall be made as soon as the *Conflict of Interest* is known to the *Responsible Person*. The *Responsible Person* shall refrain from any action that may affect ALO's participation in such *Contract or Transaction*.

In the event it is not entirely clear that a *Conflict of Interest* exists, the individual with the potential conflict shall disclose the circumstances to the chairman or supervisor or their designees, who shall determine whether there exists a *Conflict of Interest* that is subject to this policy.

4. **Confidentiality.** Each *Responsible Person* shall exercise care not to disclose confidential information acquired in connection with such status or information which might be adverse to the interests of ALO. Furthermore, a *Responsible Person* shall not disclose or use information relating to the business of ALO for the personal profit or advantage of the *Responsible Person* or a *Family Member*.

5. **Review of Policy.**

- A. Each new *Responsible Person* shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- B. This policy shall be reviewed annually by the Board of Directors. Any changes to the policy shall be communicated immediately to all *Responsible Persons*.

Please sign and give to the Assistance League of Orange Parliamentarian:

I have read, and understand, the Conflict of Interest Policy of ASSISTANCE LEAGUE of Orange as stated above.

Dated: _____

Signature: _____

Printed Signature _____