

THE POWAY UNIFIED SCHOOL DISTRICT FOUNDATION CONFLICT OF INTEREST POLICY

I. Application of Policy

This policy is intended to supplement, but not replace, federal and state laws governing conflicts of interest applicable to non-profits.

This policy applies to board members and staff/consultants with significant decision-making authority. Persons covered under this policy, as well as their relatives and associates, are hereinafter referred to as "interested parties."

II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the Poway Unified School District (PUSD) Foundation. The PUSD Foundation recognizes that Board members and their families are involved and play an active and vital role in the community. From time to time, potential conflicts of interest may arise for one or more Board members. It is The Foundation's policy to deal with each conflict of interest in as open and appropriate a way as possible.

A conflict of interest is considered an activity or interest, which may cause bias for or against a particular decision being considered by the Board. There are a variety of situations that raise conflict of interest concerns including, but not limited to the following:

A. Financial Interests – A conflict may exist where an interested party directly or indirectly benefits or profits as a result of a decision, policy or transaction made by THE PUSD FOUNDATION. Examples include situations where:

- THE PUSD FOUNDATION contracts to purchase or lease goods, services or properties from an interested party.
- THE PUSD FOUNDATION offers employment or compensation to an interested party or an entity with which the interested party has a direct or indirect financial interest, other than a person who is already employed by THE PUSD FOUNDATION.
- An interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with THE PUSD FOUNDATION.
- An interested party is gratuitously provided use of facilities, property or services of THE PUSD FOUNDATION.
- THE PUSD FOUNDATION adopts a policy that financially benefits an interested party.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

B. Other Interests – A conflict also may exist where an interested party obtains a non-financial benefit or advantage that s/he would not have obtained absent his/her relationship with THE PUSD FOUNDATION. Examples include:

- An interested party seeks to obtain preferential treatment by THE PUSD FOUNDATION or recognition for himself/herself or another interested party.
- An interested party seeks to make use of confidential information obtained from THE PUSD FOUNDATION for his/her own benefit (not necessarily financial) or for the benefit of another interested party.
- An interested party seeks to take advantage of an opportunity or enables another interested person or other organization to take advantage of an opportunity that he/she has reason to believe would be of interest to THE PUSD FOUNDATION.
- THE PUSD FOUNDATION adopts a policy that provides a significant non-financial benefit to an interested party.

A conflict of interest exists only when the Board of Directors decides there is a conflict. Because it is important to have representatives on the Board who include parents with children in the district, the Board has determined that there is not a per se conflict of interest if a Board member has one or more children currently attending a PUSD school. For transparency, each year Board members shall disclose the schools their children attend. If there is a potential conflict that could arise due to a Board member's child attending a particular school, those situations will be handled on a case by case basis.

III. Disclosure of Potential Conflicts of Interest

The interested person has the primary responsibility to determine the existence of a conflict of interest. If the interested person determines that there is a conflict of interest, he or she must disclose it. If the person is uncertain as to existence of an actual, perceived or possible conflict of interest, that person discloses it, and requests adjudication by the Board.

For board members, a disclosure statement shall be provided to the Chairman of the Board. The Chair's disclosure statement shall be provided to the Secretary of the Board or equivalent.

IV. Procedures for Review of Potential Conflicts

Whenever there is reason to believe that a potential conflict of interest exists between THE PUSD FOUNDATION and a Board member, the Board of Directors shall determine the appropriate response. This shall include, but not be limited to, invoking the procedures described below with respect to a specific proposed action, policy or transaction. The designated reviewing official has a responsibility to bring a potential conflict of interest to the attention of the board promptly for action at the next regular meeting of the board or during a special meeting called specifically to review the potential conflict of interest.

V. Procedures for Addressing Conflicts of Interest

Where a potential conflict exists between the interests of THE PUSD FOUNDATION and an interested party with respect to a specific proposed action, policy or transaction, the board of Directors shall consider the matter during a meeting of the board. THE PUSD FOUNDATION shall refrain from acting until such time as the proposed action, policy or transaction has been approved by the disinterested members of the board of Directors of THE PUSD FOUNDATION.

An interested party who has a potential conflict of interest with respect to a proposed action, policy or transaction of the corporation shall not participate in any way in, or be present during, the deliberations and decision-making vote of THE PUSD FOUNDATION with respect to such action, policy or transaction. However, the interested party shall have an opportunity to provide factual information about the proposed conflict and/or action, policy or transaction. Also, the board may request that the interested party be available to answer questions.

- The disinterested members of the Board of directors may approve the proposed action, policy or transaction upon finding that it is in the best interests of THE PUSD FOUNDATION. The board shall consider whether the terms of the proposed action, transaction or policy are fair and reasonable to THE PUSD FOUNDATION and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the Board of Directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance.
- The minutes of the meeting shall reflect that the conflict disclosure was made to the board, the vote taken and where applicable, the abstention from voting and participation by the interested party. Whenever possible the minutes should frame the decision of the Board in such a way that it provides guidance for consideration of future conflict of interest situations.

VI. Documentation

The minutes of the governing board and all committees shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussion and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

VII. Violations of Conflict of Interest Policy

If the Board of Directors has reason to believe that an interested party has failed to disclose a potential conflict of interest, it shall inform the person of the basis for such belief and allow the person an opportunity to explain the alleged failure to disclose.

If the Board decides that the interested party has in fact failed to disclose a possible conflict of interest, the Board shall take such disciplinary and corrective action, as the Board shall determine.

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Conflict of Interest Disclosure
Poway Unified School District Foundation

I have received and carefully read the Conflict of Interest Policy for board members and staff with significant decision making authority of the Poway Unified School District (PUSD) Foundation and have considered not only the literal expression of the policy, but also its intent.

As outlined in the PUSD Foundation Conflict of Interest Policy, a conflict may exist where an interested party, directly or indirectly benefits or profits as a result of a decision, policy or transaction made by the POWAY UNIFIED SCHOOL DISTRICT (PUSD) FOUNDATION.

During the past 12 months have you, any of your relatives or associates benefited in a way that might create a conflict in violation of the PUSD Foundation Conflict of Interest Policy?

YES – If yes, please describe the potential conflict.

NO

By signing below, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose in writing the circumstances to the Chair of the Board of Directors of the PUSD Foundation or to the Executive Director, as applicable.

Name (please print)

Signature

Date