

Statement of Operating Procedures:

13. Conflict of Interest Policy

Officers, directors, members, committee members, staff members, and volunteers of the Hillcrest Business Association (HBA) shall avoid taking actions that give the appearance of being motivated by private financial gain. Such persons are subject to all applicable federal, state, and local conflict of interest laws, regulations, and policies, including but not limited to California Corporations Code sections 7230-7238 (applicable to nonprofit corporations) and California Corporations Code sections 5230-5240 (applicable to nonprofit public benefit corporations). This policy is not intended to supersede, negate or otherwise invalidate any statute, ordinance or policy, but is intended to supplement authorities governing these subjects.

It is the policy of the HBA to ensure that any conflicts of interest, actual or perceived, are identified, disclosed, and addressed appropriately. The nature of a mutual benefit corporation is for the benefit of its members which necessarily includes the board members of the organization. It is the preference of the organization to, where possible, patronize and support member's businesses and services. However, it is the purpose of this policy to identify specific actions that the board takes where a conflict could occur and to appropriately address that conflict.

A conflict of interest refers to a situation in which outside financial interests or other personal considerations may compromise or have the appearance of compromising an employee, volunteer, or board member's actions or judgments in the administration, management, or performance of their duties.

The board of the HBA acknowledges that it is their legal responsibility to act in the best interests of the organization and its activities. As such, no conflict exists where votes occur that benefit the HBA.

Non-financial conflicts of interest.

Removing the appearance of a conflict of interest from the decision making process is important

to the HBA. Any time a motion is considered by the board in regular or special session, after the motion is made but before a vote has occurred, the Board Secretary shall call for any real or perceived conflicts of interest that relate to the motion. Staff or board members will identify any real or perceived conflicts that are known. In such a case, the parties identified as having a non-financial conflict shall have the option to abstain from the vote.

Conflicts of interest that do not involve financial considerations, such as utilizing organizational resources to benefit a competitor organization or to promote a competing event, shall be identified and all parties shall have the opportunity to discuss the conflict.

Financial conflicts of interest.

In the case where a financial conflict is identified the following procedure shall be followed. No contract or transaction may be entered into by the Hillcrest Business Association if one of its' officers, members, directors, committee members, staff members or volunteers has a material financial interest in the contract or transaction, except in the following circumstances:

- (1) the material facts and the party's interest are fully disclosed to the member, board or committee voting on the matter;
- (2) the action is approved by the members, board or committee in good faith, by a vote sufficient without counting the vote of the interested party or parties;
- (3) the interested party or parties abstains from voting on the matter;
- (4) the contract or transaction is just and reasonable to the Hillcrest Business Association at the time it was authorized;
- (5) the interested party or parties shall not actively participate in the discussion about the contract or transaction, except to answer questions or provide a broad explanation;
- (6) the action is recorded in meeting minutes, noting which members voted, how the members voted, and identifying any members who abstained from voting.

Any perceived or actual conflict of interest shall be reported to the City of San Diego Economic Development Department. A violation of any provision of this policy shall be grounds for removal of the officers, directors, members, committee members, staff members or volunteers

from their positions with the HBA. A contract or transaction entered into in violation of this Conflict of Interest Policy shall be void and unenforceable.

I have read and understood the above Conflict of Interest Policy and agree to abide by its terms and provisions.

Name (print): _____

Signature: _____

HBA Position: _____

Date: _____

History:

Approved: 12/8/2009

Revised in committee: 8/13/21

Approved: 9/14/2021