

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

BOARD OF DIRECTORS POLICY

SUBJECT: Legal Issues & Conflict of Interest Policy & Procedure

REFERENCES:

1. CSU Conflict of Interest Handbook
2. Internal Revenue Service, Governance & Related Topics, February 04, 2008
3. Return of Organization Exempt from Income Tax Form 990
4. California Education Code Sections 89906 to 89909; 89920-89928

PURPOSE: The University Student Union (USU) is a California nonprofit public benefit, tax-exempt corporation. It is also an auxiliary of the California State University subject to the California Education Code and the policies of the CSU and California State University, Northridge.

The purpose of this policy is to establish standards of conduct that ensure that all statutory requirements involving Board member legal issues and Conflict of interest have been addressed and that Board members have established guidelines applicable to their activities and dealings on behalf of the USU.

POLICY: Members of the USU Board of Directors are subject to the following conflict of interest provisions of the California Education Code:

1. Each member of the Board of Directors is required on an **annual** basis to read and acknowledge in writing compliance with and understanding of the following legal issues related to their service as member of the Board of Directors of an auxiliary organization:
 - a. Open meeting law – auxiliary organizations shall conduct the meetings of the Board of Directors and committees in accordance with the requirements set forth in California Education Code §88920 through §89928.
 - b. Conflict of Interest – no member of the Board of Directors shall be financially interested in any contract or other transaction entered into by the Board in which he/she is a member.
 - c. Public Documents – all documents of the USU that are not otherwise privileged shall be regarded as public documents.
 - d. Board of Directors liability – each member of the Board of Directors must perform their functions with the care that an ordinary prudent person would exercise.
 - e. Use of non-public information – it is unlawful for a Board member to utilize information that is not a matter of public record for personal pecuniary gain.

- f. Use of funds and political activities – auxiliary organizations may not expend funds (1) to support or oppose any candidate for public office or (2) to support or oppose any issues before the voters of California, any local government, city, or municipality.

Approved by the University Student Union Finance Committee on November 06, 2015

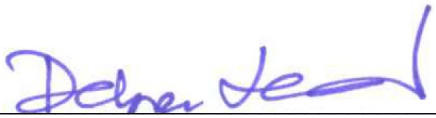
Approved by the University Student Union, Board of Directors on November 16, 2015

PROCEDURE

Legal responsibilities and conflict of interest related to service on the Board of Directors will be reviewed with all incoming board members during the annual Board of Directors Orientation. In addition, the Legal Issues packet and Legal Issues memorandum will be distributed to all members of the Board of Directors and Executive Secretaries.

1. The Legal Issues packet/memo will be distributed at the Board Orientation. The Legal Issues packet/memo will be sent electronically for those members who are unable to attend the orientation. Members who join the board at a later date will receive the Legal Issues packet/memo during their individual orientations.
 - a. Members who attend the orientation will sign the Legal Issues memorandum the day of the orientation.
 - b. Members who are not able to attend the orientation will have two weeks from the date of the Board Orientation to sign and return the Legal Issues memorandum.
2. The memorandum will direct each recipient to read the Legal Issues packet which describes the following: California's Open Meeting Law, Conflict of Interest, Public Documents, Board of Directors Liability, Use of Non-Public Information, and Use of Funds for Political Activities.
3. The memorandum will direct each member to sign the signature page. The member's signature attests that the member has read and understood the issues and will comply as stipulated.
4. The member will return the signature page of the signed memorandum to the Executive Director's Administrative Assistant who will file the original set for audit purposes.

This procedure was revised on November 16, 2015.



Debra L. Hammond
Executive Director

12/2/15
Date