

CONFLICTS OF INTEREST POLICY AND DISCLOSURE FORM

SAY SAN DIEGO, INC.

Please read and respond annually (2024)

INTRODUCTION: The purpose of the conflicts of interest policy and this disclosure form is to ensure that decisions made in and outside of our nonprofit organization are made in the best interests of SAY San Diego (Social Advocates for Youth), Inc. as well as in the best interests of the individuals with governance and decision-making authority who sit on the organization's Board of Directors. By signing the associated form, you confirm that you have read and understand that the agency is charitable and to maintain its federal tax-exempt status as a 501(c)(3) organization SAY San Diego must engage primarily in activities that accomplish one or more of its tax-exempt purposes. The policy and annual disclosure are in keeping SAY San Diego Bylaws.

Your completed form is held confidentially and reviewed by the Board President. It will be brought forward for discussion by disinterested persons who serve as board members or the Executive Committee, only as needed. If the Board President sees fit to discuss your disclosures, you will be notified in advance.

ARTICLE I - PURPOSE

The purpose of the conflicts of interest policy is to protect our tax-exempt organization's interests and status if SAY San Diego enters any transaction or arrangement that might benefit or be perceived to benefit the personal or private business interests of a member of the Board of Directors. This policy is intended to supplement, but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II - DEFINITIONS

1. Interested Person

Any person with governing board powers or board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

Financial interests include the following, directly or indirectly held, through business, investment, or family:

- a. Ownership or investment interest in any entity (vendor, funder, subcontractor) with which SAY San Diego has a transaction or financial/compensation arrangement.
- b. A compensation arrangement with SAY San Diego or with any entity or individual with which the agency has a transaction or financial/compensation arrangement, or
- c. Potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the agency is negotiating a transaction or financial/compensation arrangement.
- d. A person with financial interest *may* have a conflict of interest *only if* the appropriate governing board or committee decides that a conflict of interest exists (in SAY San Diego's case this is the disinterested persons who serve on the Executive Committee).

3. Compensation

Includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. By insubstantial, we mean a value of less than 1% of the purchase price/value. Any reimbursement, subject to a board-approved reimbursement policy, is excluded from this provision.

ARTICLE III – PROCEDURES

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board President, as well as members of the Executive Committee considering the proposed transaction or arrangement. Such disclosure may occur when completing the annual disclosure form, but all board members have an obligation to disclose any actual or possible conflicts *as soon as possible* throughout the year.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation to the Board President and members of the Executive Committee, yet after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Board President, if appropriate, may appoint another disinterested person or a different committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the disinterested person and/or committee shall determine whether SAY San Diego can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the disinterested persons/committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the agency's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into or suspend the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Board President and Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board President or Executive Committee of disinterested directors determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary action.

ARTICLE IV – RECORD OF PROCEEDINGS

The minutes of the Executive Committee and all committees with board-delegated powers to review any potential conflicts of interest shall contain:

1. 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.

2. Any action taken to determine whether a conflict of interest was present and material, and the committee's decision as to whether a conflict of interest in fact existed.
3. The names of the persons present for discussions and votes relating to the transaction or arrangement, content of the discussion, alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V – COMPENSATION

1. A voting member of the governing board who receives compensation, directly or indirectly, from the agency for services is precluded from voting on matters pertaining to that member's compensation. At present, this applies to the CEO who sits as a voting member of the Board of Directors.
2. A voting member whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the agency for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the agency, either individually or collectively, is prohibited from providing information the board or to any committee regarding compensation.

ARTICLE VI – ANNUAL STATEMENTS

Each board member shall annually sign a statement, which affirms such person:

1. Has received a copy of this Conflicts of Interest Policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands the agency is charitable and to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII – PERIODIC REVIEWS

To ensure the agency operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the agency's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
3. Outside of periodic reviews, if any member of the Board of Directors enters into a transaction or agreement that may constitute a conflict, the member is asked to bring that forward to the Board President immediately.

ARTICLE VIII – USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the agency may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Annual Disclosure Form Follows

SAY SAN DIEGO CONFLICTS OF INTEREST DISCLOSURE FORM (2024)

Please complete the following:

1) Do you understand the Conflicts of Interest Policy and agree to comply with its terms?

_____ (yes or no).

If no, please disclose your comments below.

2) Contact with Clients:

a) In the past year, to your knowledge, have you or anyone in your immediate family contacted any clients/program participants of SAY, or family members of clients/participants, for any business purpose(s) unrelated to your relationship to SAY San Diego or its Board of Directors? _____ (yes or no)

b) Do you anticipate doing so over the next year? _____ (yes or no)

c) Have you provided information to another person or business to enable that person or business to make such contacts? _____ (yes or no)

If you answered yes to any of the preceding questions, please disclose in space provided below.

3) Business Relationships:

a) Are you or anyone in your immediate family a director, officer, employee or owner of a business or entity (e.g., bank, real estate firm, consultant, insurance broker, law firm, medical group, tech firm, etc.), which has done business in the past 12 months with SAY San Diego, or currently is or contemplates doing business with the agency in the next 12 months? _____ (yes or no).

If yes, please explain your compensation or other financial arrangement with such business entity from any business transaction(s) with SAY.

b) Are you or anyone in your immediate family currently, or have you within the past 12 months, or do you anticipate in the next 12 months, been providing services similar or identical to services and programs provided by SAY San Diego? _____ (yes or no).

If yes, please indicate the time period and exact nature of the services, including the geographic location served.

- c) Are you related to any person who is currently compensated, has been compensated within past 12 months, or anticipates being compensated by SAY San Diego, for services rendered? _____ (yes or no).

If yes, please disclose details.

4) Other Disclosures:

- a) Are there any circumstances or other matters of a personal or family nature, direct or indirect, which could conflict with the interests of SAY? _____ (yes or no).

If yes, please disclose.

- b) Have you or a family member received any item or grant from current or potential suppliers of goods or services from consultants or grant-makers related to SAY that was intended to evoke some form of reciprocation? _____ (yes or no).

If yes, please disclose.

Please sign below whether or not you have disclosures to demonstrate that you have read and understand the policy.

Signature

Date

Printed Name:

Please disclose any additional information here: