

**Conflict of Interest Policy for the
California Association of School Counselors, Inc.**

Adopted November 15, 2008

This Conflict of Interest Policy governs the activities of the board, staff and contractors of the California Association of School Counselors (CASC). Questions about the policy should be directed to the President or Executive Director. It is the duty of all board members, staff and consultants to be aware of this policy, and to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to (i) the president or (ii) the executive director or other designated person, as appropriate. This policy provides guidelines for identifying conflicts, disclosing conflicts and procedures to be followed to assist in managing conflicts of interest and situations that may result in the appearance of a conflict.

Definitions

Conflict of Interest (also Conflict): A conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members, officers, and board members of CASC.

Board: The Board of Directors.

Officer: An officer of the Board of Directors.

Volunteer: A person -- other than a board member -- who does not receive compensation for services and expertise provided to CASC and retains a significant independent decision-making authority to commit resources of the organization.

Staff Member: A person who receives all or part of her/his income from the payroll of CASC.

Contractor: A person, company or organization which enters into a contract for services with the association.

Member: A member in good standing of CASC.

Supporter: Corporations, foundations, individuals, and other nonprofit organizations who contribute to the association.

Interested Person: Any director, principal officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in the education system of which the corporation is part, he or she is an interested person with respect to all entities in the education system.

Direct Financial Interest: A transaction or compensation arrangement between the individual and the corporation.

Indirect Financial Interest: An ownership or investment interest in any entity with which the corporation has a transaction or a compensation arrangement; or a compensation arrangement with any entity or individual with which the corporation has a transaction or compensation arrangement; or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or compensation arrangement.

Compensation: Direct and indirect remuneration as well as gifts or favors that are substantial in nature.

What is a conflict of interest?

A conflict of interest arises when a board member or staff member has a personal interest that conflicts with the interests of CASC or arise in situations where a board/staff member has divided loyalties (also known as a "duality of interest"). The former can result in situations that result in inappropriate financial

gain to persons in authority at CASC which can lead to financial penalties and violations of IRS regulations. Similarly, situations or transactions arising out of a conflict of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in CASC's decision-making process. Both results are damaging to CASC and are to be avoided.

- *Example #1:* a person in a position of authority over the Organization may benefit financially from a transaction between the Organization and the board/staff member; or others closely associated with the board/staff member may be affected financially. Family members, or their businesses, or other persons or the businesses of persons with whom the board/staff member is closely associated, could benefit from similar transactions.
- *Example #2:* A conflict of interest could be a direct or indirect *financial interest* such as those described above, or a *personal interest* such as the situation where a board member of CASC is also a board member of another nonprofit or for-profit entity in the community with which CASC collaborates or conducts business.

Who might be affected by this policy?

Persons who are affected by a conflict of interest policy are the Organization's board members, officers, and staff and contractors. In some cases a major donor could also be in a conflict situation. CASC takes a broad view of conflicts and board/staff are urged to think of how a situation/transaction would appear to outside parties when identifying conflicts or possible conflicts of interest.

The purpose of the following policy and procedures is to complement CASC's bylaws to prevent the personal interest of staff members, board members, volunteers, and contractors from interfering with the performance of their duties or result in personal financial, professional, or political gain on the part of such persons at the expense of CASC or its Members, supporters, and other stakeholders.

Policies and Procedures

Duty to Disclose

Board members and staff will annually disclose and promptly update any disclosures previously made on an annual basis. Individuals will identify any interests that could give rise to conflicts of interest, such as a list of family members, substantial business or investment holdings, and other transactions or affiliations with businesses and other organizations or those of family members as well as other nonprofit organizations.

Board and staff are also urged to disclose conflicts as they arise as well as to disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict. Staff should disclose to their supervisor/Executive Director and board members should disclose to the board/President of the board as soon as the person with the conflict is aware of the conflict/potential conflict or the appearance of a conflict may exist. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

Procedures to manage conflicts

For each interest disclosed, the full board, or the Executive Director and the President, as appropriate, will determine whether the organization should: (a) take no action or (b) disclose the situation more broadly and invite discussion/resolution by the full board of what action to take, or (c) refrain from taking action and otherwise avoid the conflict. In most cases the broadest disclosure possible is advisable so that decision-makers can make informed decisions that are in the best interests of the organization.

1. An interested Board member, officer, or staff member shall not participate in any discussion or debate of the Board of Directors, or of any committee or subcommittee thereof in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. However, they may be present to provide clarifying information in such a discussion or debate unless objected to by any present board or committee member.
2. In some cases, the person with the conflict will be recused from sensitive discussions so as not to unduly influence the discussion of the conflict.
3. Anyone in a position to make decisions about spending 's resources (i.e., transactions such as purchases contracts) – who also stands to benefit from that decision – has a duty to disclose that conflict as soon as it arises (or becomes apparent); s/he should not participate in any final decisions.
4. The President/Executive Director will monitor proposed or ongoing transactions of the organization (e.g., contracts with vendors and collaborations with third parties) for conflicts of interest and disclose them to the Board and staff, as appropriate, whether discovered before or after the transaction has occurred.
5. A copy of this policy shall be given to all Board members, staff members, volunteers or other key stakeholders upon commencement of such person's relationship with CASC or at the official adoption of stated policy.