

Amendment to the South Bay Community Center Bylaws

Amendment A: Conflict of Interest Policy:

I. Purpose

This Conflict of Interest Policy is to protect the tax-exempt classification of the South Bay Community Center (Center). This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest as applicable to nonprofit and charitable organizations. The Fair Political Practices Commission (FPPC) has adopted a regulation (2 California Code of Regulations § 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. The terms of § 18730 and any amendments to it adopted by the FPPC are hereby incorporated by reference into this Conflict of Interest policy. This regulation and the text here designating officials and employees and establishing disclosure categories shall constitute the conflict of interest code of the Center.

The full text of Section 18730, together with any amendment thereto, may be found at:

<http://www.fppc.ca.gov/legal/regs/current/18730.pdf>.

II. 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 directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2) After disclosure of any financial interest and all material facts, the board or committee shall decide if a conflict of interest exists.

3) The Board shall appoint a disinterested person or committee to investigate proposed transactions or arrangements to verify they will not give rise to a conflict of interest.

4) If the Board determines an actual or possible conflict of interest exists, it shall take appropriate corrective actions.

III. Records of Proceedings:

The minutes of the governing board and all committees with board delegated powers shall contain: The names of the persons who disclosed or were found to have a financial interest in connection with a possible conflict of interest, the nature of the financial interest, any actions taken to determine a conflict is present, and the Board's decision as to whether a conflict exists.

IV. Compensation:

A voting member of the governing board, or of any committee, whose jurisdiction includes compensation matters, or who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to the members compensation.

V. Annual Statements:

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflict of interest policy,
- b) Has read and understands the policy
- c) Has agreed to comply with the policy and
- d) Understands the Organization is charitable and engages primarily in charitable purposes.

VI. Periodic Reviews:

Should the Center ever compensate directors, employees, contractors, the Center shall conduct periodic reviews to ensure there is no conflict of interest and that the compensation is reasonable.

When conducting periodic reviews, the SBCC may use outside advisors. If outside experts are used, their use shall not relive the governing board of its responsibility for ensuring periodic reviews are conducted.