

Forty Niner Shops, Inc.
Operational Policies and Procedures
Conflict of Interest

Definition

The Forty Niner Shops, Inc. requires that all members of the Board and employees of the Forty Niner Shops are expected to conduct their personal and business matters so as to avoid actual, potential or apparent conflict between self interests and the interests of the interests of the Forty Niner Shops and/or the University (CSULB). These individuals are expected to avoid even the appearance of impropriety in the performance of their duties and must never use their positions or knowledge gained on the job to inappropriately influence decisions for their advantage, or for that of their family and friends per sections 89006, 89906, and 89909 of the California Education Code.

Policy

An actual or potential conflict of interest occurs when a member of the organization is in a position to influence a decision which may result in a personal gain for that member or a relative as a result of the Forty Niner Shop's business activities. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the member is similar to that of persons who are related by blood or marriage.

If a member of the organization has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she disclose the existence of any actual or potential conflict of interest to an officer of the Forty Niner Shops so that safeguards can be established to protect all parties.

Personal gains may result not only in cases where a member or relative has a significant ownership in a firm with which this organization does business, but also when an employee or relative receives any special consideration, substantial gift, kickback, or bribe as a result of any transaction or business dealings involving the organization.

Applicability

This policy shall apply to all Board members and Director level positions within the Forty Niner Shops and to any other Forty Niner Shops positions which in the opinion of the General Manager or Chairman of the Board have significant exposure and/or decision making authority to warrant regular monitoring of Conflict of Interest activities.

While all references herein are made to members of the Forty Niner Shops, this policy shall also apply to any individual (whether employed by the Forty Niner Shops or not) who has significant exposure and/or decision making authority related to any activities with the Forty Niner Shops, to warrant regular monitoring of Conflict of Interest activities. Such individuals may include, but are not limited to, employees of CSULB, independent contractors, subcontractors, etc..

Procedure

No less than every two years, each member of the Forty Niner Shops in a designated position shall complete and submit a "Conflict of Interest Statement - Form A", or verify in writing that data on file has not changed. If a "Conflict of Interest" is indicated, the employee shall also complete and submit a "Conflict of Interest Disclosure Statement - Form B". Additionally, each member of the organization in a designated position shall immediately disclose any material changes occurring prior to their next complete declaration if such changes either give rise to an actual or potential conflict of interest, or eliminate a conflict previously disclosed. The completed form(s) shall be submitted to the General Manager of the Forty Niner Shops. The original document(s) will be placed in a personnel file if it involves an employee or will be maintained in a file with the General Manager if it concerns a Board member or other. Failure to file or update a Conflict of Interest statement as required or intentionally filing a false or misleading statement may result in disciplinary action up to, and including discharge.

Review and Administration of Reported Conflict

A review of all reported conflicts of interest will be conducted by the General Manager, Controller and Director of Human Resources. In the event an individual occupying one of the aforementioned positions reports a conflict of interest, another member of the organization shall be

substituted for purposes of the review of that reported conflict of interest.

The above committee shall review all relevant information and advise if a conflict exists. Additionally, the review committee shall advise on how conflicts might be managed or resolved. The review committee shall also report one of the following findings to the parties involved:

The reported conflict of interest was found to be:

- * Permissible since the disclosure information does not represent a possible source of bias or inappropriate activity; or
- * permissible with modifications aimed at avoiding bias or inappropriate activities; or
- * inconsistent with Forty Niner Shops policy and thus not permissible.

Appeals Process

A Conflict of Interest decision issued by the review committee which designates an activity to be permissible with certain clearly specified conditions, or not permissible, may be appealed to the Personnel Committee of the Forty Niner Shops Board of Directors. Any individual who is the subject of one of the aforementioned findings has thirty (30) days from the date the decision is issued to submit an appeal. All appeals must be in writing and should provide a complete explanation including any and all supporting documentation which the Appellant feels will support the issuance of a less restrictive decision. The Appellant should also identify which decision (permissible, or permissible with certain clearly specified conditions) they are seeking. If the Appellant is seeking a decision of permissible with clearly specified conditions, the Appellant should also provide complete details of what conditions they would deem appropriate. All such appeals should be directed to the General Manager. Once received, the General Manager shall forward all documentation to the Personnel committee.

After reviewing all relevant information, the Personnel Committee shall issue a final decision which designates an activity as permissible, permissible with certain clearly specified conditions, or not permissible.