



## CONFLICT OF INTEREST POLICY

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Second Harvest Food Bank of Santa Clara and San Mateo Counties (SHFB) encourages the active involvement of its directors, officers and employees in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, SHFB adopts the following Conflict of Interest Policy.

### **Conflict of Interest Policy**

Directors, officers, agents and employees are expected to use good judgment to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interest of a director, officer, agent or employee and those of SHFB. A conflict of interest exists when the loyalties or actions of a director, officer, agent or employee are divided between the interests of SHFB and the interest of the director, officer, agent or employee. Both the fact and the appearance of a conflict of interest should be avoided. Each employee, officer, agent and Board member has a duty to immediately disclose a possible conflict of interest and shall complete an annual "Conflict of Interest" disclosure statement in order to identify actual or potential conflicts of interest in business dealings with SHFB.

With regard to a non-director level employee without substantial influence over SHFB, the Chief Executive Officer shall determine whether a conflict of interest exists.

With regard to director level employees or a person with substantial influence over SHFB, the Board shall determine if a conflict of interest exists.

The following guidelines shall be followed:

- A. No employee, officer, agent or Board member (or member of either's family) may enter into an agreement or contract with SHFB without meeting the following conditions:
  1. A majority approval of a quorum of the Board of Directors with the Board member, if applicable, abstaining from the vote.
  2. A minimum of three written bids or proposals giving evidence that SHFB will benefit financially, professionally, legally, or programmatically if the employee, officer, agent, Board member, or family member's agreement/contract is utilized.
- B. No employee, officer, agent, Board, or family member may have a vote or influence in altering the basic operations or Mission for which SHFB was incorporated to achieve direct or indirect personal gain.

- C. No employee, officer, agent or Board member may participate in the selection, award or administration of a contract supported by a federal award if he or she or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ them has a financial or other interest in or will receive a tangible personal benefit from a firm considered for the contract.

## **Definitions**

1. Conflict of interest may include, but is not limited to, the following:

- a. Owning an interest directly, or indirectly, in a SHFB supplier.\*
- b. Deriving, in any way, from a SHFB supplier any commission, fees, loans, trips, gifts, benefits, gratuities, favors or anything else of monetary value not offered to the general public as part of a promotional campaign except for unsolicited items of a nominal value. (See Accepting Gifts Policy)
- c. Being a director, officer, employee, consultant, agent, representative, or acting for a SHFB supplier in any capacity, or having a relative in such a position.
- d. Engaging in any business venture or transaction with a SHFB supplier, which could be objectively construed as being a conflict of interest or allegiance with SHFB.

\* *SHFB supplier is interpreted broadly for purposes of this procedure as any personal partnership, trust, corporation, or other enterprise which, to an employee's knowledge, has done business within the past 12 months, is currently doing business, or contemplates doing business in the next 12 months with SHFB.*

2. Family member is defined as including the following:

- a. Spouse or equivalent
- b. Children, parents, and siblings including step relations
- c. Spouse or equivalent of children, parents and siblings including step relations

3. Agent is defined as any person or organization legally authorized to act on behalf of SHFB.

## **Violations of Policy**

- a. If the Chief Executive Officer or Board has reasonable cause to believe a director, officer, agent or employee has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the individual's response and after making further investigation as warranted by the circumstance, the Chief Executive Officer or Board determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Periodic Review**

To ensure that SHFB operates in a manner consistent with its charitable purposes and its status as an organization exempt from federal income tax, there shall be a periodic review of the administration of this Conflict of Interest Policy. The review may be written or oral. The review shall be authorized and overseen by the Audit Committee of the Board of Directors. The review shall consider the level of compliance with the Policy, the continuing suitability of the Policy, and whether the Policy should be modified and improved.

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