

# Conflict of Interest Policy

## Montezuma Valley Volunteer Community Service Organization (MVVCSO)

*Effective Date: [Insert Date]*

*Last Reviewed: [Insert Date]*

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### Purpose

The Montezuma Valley Volunteer Community Service Organization (MVVCSO) is dedicated to transparent and ethical governance to serve the Ranchita community effectively. This Conflict of Interest Policy prevents favoritism, ensures impartial decision-making, and safeguards the organization's integrity in activities such as hiring, contracting, and program management (e.g., lot maintenance). It complies with **IRS 501(c)(3)** requirements to prevent private benefit, supports grant eligibility, and rebuilds trust following past governance challenges, aligning with MVVCSO's mission and North Stars of community focus, transparency, inclusivity, and serving all members.

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### Authority

This policy is authorized by **Article IV, Section 6B** of the MVVCSO 2025 Bylaws, requiring the Board to adopt, annually review, and publicly share a conflict-of-interest policy. It is further supported by:

- **Article IV, Section 6A:** Mandates disclosure and recusal for Directors and officers with financial or personal interests.
- **Article XI:** Provides whistleblower protections for reporting conflicts or misconduct.
- **Article VII, Section 1:** Requires secure record-keeping for disclosures and actions.
- **California Corporations Code § 5233:** Governs transactions with interested parties.

- **Nonprofit Integrity Act (NIA, Government Code § 12586):** Mandates transparency and public access.
  - **IRS 501(c)(3):** Prohibits private inurement (IRC § 4958).
  - **Unruh Civil Rights Act (California Civil Code § 51):** Ensures non-discriminatory application.
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## Scope

This policy applies to all **Covered Persons**, including:

- **Directors:** Elected Board members (Article IV, Section 1).
- **Officers:** President, Vice President, Secretary, Treasurer (Article V, Section 1).
- **Committee Members:** Those with Board-delegated powers (e.g., Finance Committee, Article VI, Section 1).
- **Volunteers or Contractors:** Individuals with significant decision-making authority (e.g., managing lot maintenance contracts).

It addresses any situation where a Covered Person's personal, financial, or familial interests could influence, or appear to influence, MVVCSO decisions, ensuring fairness and public trust.

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## Definitions

- **Conflict of Interest:** A situation where a Covered Person's personal, financial, or familial interest (direct or indirect) could affect, or appear to affect, their objectivity in MVVCSO decisions. Examples:
  - *Financial Interest:* Ownership or employment with a vendor (e.g., a lot maintenance company).
  - *Personal Interest:* Immediate family involvement in a decision.
  - *Non-financial Interest:* Favoritism in volunteer assignments.
- **Immediate Family:** Spouse, domestic partner, parent, child, or sibling, per Article IV, Section 1D.

- **Material Conflict:** A conflict significant enough to potentially influence a decision, as determined by the Board or Ethics Committee.
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## **Policy Guidelines**

### **1. Disclosure Requirements**

#### **1.1 Annual Disclosure**

- All Covered Persons must complete the **Annual Conflict of Interest Disclosure Form** (Appendix A) within 30 days of election, appointment, or engagement, and annually by January 31.
- The form requires listing:
  - Financial interests (e.g., ownership in potential vendors).
  - Immediate family relationships relevant to MVVCSO activities.
  - Other affiliations that could create a conflict.
- Disclosures are submitted to the Secretary and stored confidentially (Article VII, Section 1).

#### **1.2 Ongoing Disclosure**

- Covered Persons must promptly disclose any new conflict (actual or potential) to the Board President or Secretary as it arises, using the Conflict Disclosure Form (Appendix A).

#### **1.3 Volunteer and Contractor Disclosure**

- Volunteers or contractors with decision-making roles must disclose conflicts on sign-up forms or contracts, reviewed by the Volunteer Committee or Board.

### **2. Recusal Procedures**

#### **2.1 Mandatory Recusal**

- Covered Persons with a conflict must recuse themselves from related discussions, decisions, or votes. They may provide factual information if requested but cannot influence outcomes.

## **2.2 Documentation**

- Recusals are recorded in meeting minutes, including the person's name, conflict nature, and actions taken (e.g., left the room), per Article IV, Section 3D.

## **3. Review and Resolution of Conflicts**

### **3.1 Board Review**

- The Board reviews disclosed conflicts at the next regular meeting (Article IV, Section 3A) or a special meeting if urgent (Article IV, Section 3C), determining materiality based on:
  - Financial impact.
  - Potential for bias.
  - Public perception.
- If material, the Board votes (majority of disinterested Directors) on actions (e.g., recusal, safeguards).

### **3.2 Ethics Committee Role**

- For complex conflicts, the Ethics Committee investigates and provides recommendations within 14 days (Article VI, Section 1D).

### **3.3 Appeals**

- Covered Persons may appeal conflict determinations to the Ethics Committee within 7 days, with the Committee's decision being final.

## **4. Prohibited Actions**

- **Favoritism:** No preferential treatment for self, family, or associates.
- **Gifts and Benefits:** No acceptance of gifts over \$50 from entities seeking MVVCSO business, except nominal items disclosed to the Board.
- **Misuse of Information:** No use of confidential information for personal gain.

## **5. Enforcement and Consequences**

### **5.1 Violations**

- Suspected violations are reported to the Ethics Committee via the **Misconduct Report Form**, with whistleblower protections (Article XI).

### **5.2 Consequences**

- Violations may result in retraining, suspension, removal, or termination, with a 7-day appeal period.

### **5.3 Documentation**

- Investigations and outcomes are recorded confidentially, with public summaries in meeting minutes.

## **6. Policy Administration**

### **6.1 Annual Review**

- The Board reviews this policy annually by January 31, incorporating community feedback via the Community Engagement Committee (Article VI, Section 1C).

### **6.2 Public Access**

- The policy and redacted disclosure forms are available at the food bank (27527 Skyway Drive, Ranchita, CA 92066), online (if available), or upon request, with large-print or Spanish versions provided (Article XV).

### **6.3 Training**

- Covered Persons receive annual training on disclosure, recusal, and reporting, with records maintained by the Secretary.

## **7. Whistleblower Protections**

- Reports of conflicts or violations are confidential, with protection from retaliation (Article XI).

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## Compliance with Legal Standards

- **2025 Bylaws:** Aligns with Article IV, Section 6.
- **California Corporations Code § 5233:** Governs interested-party transactions.
- **NIA (Government Code § 12586):** Ensures transparency and public access.
- **IRS 501(c)(3):** Prevents private benefit (IRC § 4958).
- **Unruh Civil Rights Act:** Ensures equitable, non-discriminatory application.
- **CCPA:** Protects disclosure data with secure storage.

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## Alignment with MVVCSO North Stars

- **Community Focus:** Prioritizes community needs in decision-making.
- **Transparency:** Ensures policy and records are publicly accessible.
- **Inclusivity:** Provides accommodations for diverse members.
- **Serving All Members:** Applies equitably without disproportionate impact.

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## Appendix A: Conflict of Interest Disclosure Form

*Available at the food bank, online, or upon request.*

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