

Conflict of Interest Policy

All directors, officers and employees of California Center for Sustainable Energy ("CCSE") are required to comply with the following CCSE Conflict of Interest Policy.

1. **Purpose:** CCSE is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of CCSE as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public. Consequently, there exists between CCSE and its board, officers, and employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and employees have the responsibility of administering the affairs of CCSE honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of CCSE. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with CCSE or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.
2. **Definitions:** *Conflict of Interest* means 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 directors, officers, and employees of CCSE. *Board* means the Board of Directors. *Officer* means an officer of the Board of Directors. *Employee* means a person who receives all or part of her/his income from the payroll of CCSE.
3. **Areas In Which Conflict May Arise:** Conflicts of interest may arise in the relations of directors, officers, and employees with any of the following third parties: (1) persons and firms supplying goods and services to CCSE; (2) persons and firms from whom CCSE leases property and equipment; (3) persons and firms with whom CCSE is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property; (4) competing or affinity organizations; (5) donors and others supporting CCSE; (6) agencies, organizations, and associations which affect the operations of CCSE; and (7) family members, friends, and other employees.
4. **Nature Of Conflicting Interest:** A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Paragraph 3. Such an interest might arise through:
 1. Owning stock or holding debt or other proprietary interests in any third party dealing with CCSE;
 2. Holding office, serving on the board, participating in management, or being otherwise employed with any third party dealing with CCSE;
 3. Receiving remuneration for services with respect to transactions involving CCSE;
 4. Using CCSE's time, personnel, equipment, supplies, or good will for other than CCSE-approved activities, programs, and purposes; and

5. Receiving personal gifts or loans from third parties dealing or competing with CCSE. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

5. **Interpretation Of This Statement Of Policy:** The areas of conflicting interest listed in Paragraph 3, and the relations in those areas which may give rise to conflict, as listed in Paragraph 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and employees will recognize such areas and relation by analogy. In addition, the fact that one of the interests described in Paragraph 4 exists does not necessarily mean that a conflict actually exists, or that a conflict is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of CCSE. It is, however, the policy of CCSE that the existence of any of the interests described in Paragraph 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the directors, officers, and employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

6. **Disclosure Policy And Procedure:** Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists, if applicable; *and*
4. The Board or a duly constituted committee thereof has determined that the transaction is in the best interest of the organization.

Disclosure should be made to the Executive Director (or if s/he is the one with the conflict, then to the Board chair), who shall bring the matter to the attention of the Board. Disclosure involving directors should be made to the Board chair, (or if s/he is the one with the conflict, then to the Board vice-chair) who shall bring these matters to the Board.

The Board or a duly constituted committee thereof shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to CCSE. The decision of the Board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of CCSE and the advancement of its purpose.

This Policy was approved by the CCSE Board of Directors on 12/10, 2008.