

Santa Cruz Valley Heritage Alliance, Inc.
Conflict of Interest Policy
Effective March 23, 2023

Disclosure Notice Regarding Potential to Receive Funding:

A board member, staff, volunteer, or individual serving on an advisory committee or workgroup of the Santa Cruz Valley Heritage Alliance (SCVHA) may be unable to serve, or may be required to limit the scope of their service, if they are affiliated with an organization that has the potential to receive SCVHA funding due to apparent conflicts of interest.

I. Purpose

The purpose of the conflict of interest policy is to protect the Santa Cruz Valley Heritage Alliance, Inc.'s (SCVHA) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of SCVHA or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations, including standards consistent with 2 CFR 200.318. The attached Appendix A includes the applicable federal regulations as it relates to Conflicts of Interest, see [2 CFR 1402.112](#).

II. Application of Policy

This policy applies to SCVHA Board members, staff, and certain volunteers (such as those serving on an advisory committee). A volunteer is covered under this policy if that person has been granted significant independent decision-making authority with respect to financial or other resources of the organization. Significant decision-making authority may include participating in the selection, award, or administration of a contract. Persons covered under this policy are hereinafter referred to as "interested parties."

III. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the SCVHA. A conflict of interest can be real or apparent. There are a variety of situations, which raise conflict of interest concerns including, but not limited to, the following.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the SCVHA. Examples include situations where:

- the SCVHA contracts to purchase or lease goods, services, or properties from an interested party, or a relative, or business associate of an interested party;
- the SCVHA purchases an ownership interest in or invests in a business entity owned by an interested party, or by a relative or business associate of an interested party;
- the SCVHA offers employment to an interested party, or a relative, or business associate of an interested party, other than a person who is already employed by the SCVHA;
- an interested party, or a relative or business associate of an interested party, solicits or accepts a gift, gratuity, favor, or anything of monetary value, of a substantial nature, from a person or entity which does business, or seeks to do business, with the SCVHA;

- an interested party, or a relative or business associate of an interested party, is gratuitously provided use of the facilities, property, or services of the SCVHA.

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that they would not have obtained absent his/her relationship with the SCVHA, or where his/her duty or responsibility owed to the SCVHA conflicts with a duty or responsibility owed to some other organization. Examples include where:

- an interested party seeks to obtain preferential treatment by the SCVHA for himself/herself, or a relative or business associate;

- an interested party seeks to make use of confidential information obtained from the SCVHA for their own benefit, or for the benefit of a relative, business associate, or other organization;

- an interested party seeks to take advantage of an opportunity, or enable a relative, business associate, or other organization to take advantage of an opportunity, which she/he has reason to believe would be of interest to the SCVHA;

- an interested party participates in the selection (including direct development of selection criteria), award, or administration of a contract supported by a federal award if the interested party has a real or apparent conflict of interest.

Organizational Conflicts – A conflict may exist because of relationships with a related organization, parent company, affiliate, or subsidiary organization, the SCVHA is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. Examples include where:

- an interested party involved with the selection, award, or administration of a contract or grant supported by a federal award is also an employee, officer, or agent of an organization or company applying for a contract or award for SCVHA.

IV. Disclosure of Real or Apparent Conflicts of Interest

An interested party is under a continuing obligation to disclose any real or apparent conflict of interest as soon as it is known, or reasonably should be known.

An interested party shall complete a questionnaire, in the form attached hereto as Appendix B, to fully and completely disclose the material facts about any real or apparent conflicts of interest. The disclosure statement shall be completed upon his/her association with the SCVHA and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as a real or apparent conflict arises.

For Board members, the disclosure statements shall be provided to the President (Chairman) of the Board, or in the case of the President's (Chairman's) disclosure statement shall be provided to the Secretary of the Board. Copies shall also be provided to the Executive Director of the SCVHA.

In the case of staff or volunteers with significant decision-making authority, the disclosure statements shall be provided to the Executive Director of the SCVHA, or in the case of the Executive Director's disclosure statement shall be provided to the President (Chairman) of the Board.

The Secretary of the Board of Directors shall file copies of all disclosure statements with the official corporate records of the organization.

V. Procedures for Review of Real or Apparent Conflicts - General

Whenever there is reason to believe that a real or apparent conflict of interest exists between SCVHA and an interested party, the Board of Directors shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedures described in Section VI, below, with respect to a specific proposed action or transaction.

In determining the appropriate organizational response, the Board will promptly notify in writing the National Park Service Financial Assistance Office and NHA Regional Program Manager of a real or apparent conflict of interest. The Board will carefully consider the guidance provided by the National Park Service. The Board may be required to establish internal controls that include, at a minimum, procedures to identify, disclose, or mitigate or eliminate identified conflicts of interest, or develop other appropriate means for resolving it.

Where the real or apparent conflict involves an employee of the SCVHA other than the Executive Director, the Executive Director shall, in the first instance, be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the SCVHA. The Executive Director shall report to the President (Chairman) the results of any review and the action taken. The President (Chairman), in consultation with the Executive Committee, shall determine if any further Board review or action is required.

VI. Procedures for Addressing Conflicts of Interest - Specific Transactions

Where a real or apparent conflict exists between the interests of SCVHA and an interested party with respect to a specific proposed action or transaction, SCVHA shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the SCVHA Board of Directors. The following procedures shall apply:

- An interested party who has a real or apparent conflict of interest with respect to a proposed action or transaction of the SCVHA shall not participate in any way in, or be present during, the deliberations and decision making of the SCVHA with respect to such action or transaction. Depending on the conflict of interest, if deemed appropriate, the interested party may not participate in the selection, award, or administration of a contract. The interested party may, upon request, be available to answer questions or provide material, factual information about the proposed action or transaction.
- The disinterested members of the Board of Directors may approve the proposed action or transaction upon finding that it is in the best interests of the SCVHA. The Board shall consider whether the terms of the proposed transaction are fair and reasonable to the SCVHA and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an interested party.
- Approval by the disinterested members of the Board of Directors shall be by vote of a majority of Directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of Directors in attendance.

- The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

- Guidance provided by the National Park Service (see section V above), may result in alternatives or other corrective actions to the above standard mitigation measures in response to a conflict of interest. The Board may be required to establish internal controls that include, at a minimum, procedures to identify, disclose, or mitigate or eliminate identified conflicts of interest, or develop other appropriate means for resolving it.

VII. Violations of Conflict of Interest Policy

If the Board of Directors has reason to believe that an interested party has failed to disclose a real or apparent conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the interested party and making such further investigation as may be warranted in the circumstances, the Board determines that the interested party has in fact failed to disclose a real or apparent conflict of interest, it shall take appropriate disciplinary and corrective action.

VIII. 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 conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands SCVHA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

IX. Periodic Reviews

To ensure the SCVHA operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the of result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to SCVHA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

X. Use of Outside Experts

When conducting the periodic reviews as provided for in Article IX, the SCVHA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Appendix A

Code of Federal Regulations 2 CFR 1402.112 What are the conflict of interest policies?

2 CFR 1402.112 (up to date as of 3/15/2023)
What are the conflict of interest policies?

2 CFR 1402.112

This content is from the eCFR and is authoritative but unofficial.

Title 2 - Grants and Agreements

Subtitle B - Federal Agency Regulations for Grants and Agreements

Chapter XIV - Department of the Interior

Part 1402 - Financial Assistance Interior Regulation, Supplementing the Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Subpart B - General Provisions

Authority: 5 U.S.C. 301 and 2 CFR part 200.

Source: 84 FR 45635, Aug. 30, 2019, unless otherwise noted.

§ 1402.112 What are the conflict of interest policies?

This section shall apply to all non-Federal entities. NOFOs and financial assistance awards must include the full text of the conflict of interest provisions in paragraphs (a) through (e) of this section.

(a) **Applicability.**

- (1) This section intends to ensure that non-Federal entities and their employees take appropriate steps to avoid conflicts of interest in their responsibilities under or with respect to Federal financial assistance agreements.
- (2) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.318 apply.

(b) **Notification.**

- (1) Non-Federal entities, including applicants for financial assistance awards, must disclose in writing any conflict of interest to the DOI awarding agency or pass-through entity in accordance with 2 CFR 200.112.
- (2) Recipients must establish internal controls that include, at a minimum, procedures to identify, disclose, and mitigate or eliminate identified conflicts of interest. The recipient is responsible for notifying the Financial Assistance Officer in writing of any conflicts of interest that may arise during the life of the award, including those that have been reported by subrecipients.

(c) **Restrictions on lobbying.** Non-Federal entities are strictly prohibited from using funds under a grant or cooperative agreement for lobbying activities and must provide the required certifications and disclosures pursuant to 43 CFR part 18 and 31 U.S.C. 1352.

(d) **Review procedures.** The Financial Assistance Officer will examine each conflict of interest disclosure on the basis of its particular facts and the nature of the proposed grant or cooperative agreement, and will determine whether a significant potential conflict exists and, if it does, develop an appropriate means for resolving it.

(e) **Enforcement.** Failure to resolve conflicts of interest in a manner that satisfies the government may be cause for termination of the award. Failure to make required disclosures may result in any of the remedies described in 2 CFR 200.339, Remedies for noncompliance, including suspension or debarment (see also 2 CFR part 180).

Santa Cruz Valley Heritage Alliance, Inc.

**Conflict of Interest Policy
Annual Affirmation of Compliance and Disclosure Statement**

I have received and carefully read the Conflict of Interest Policy for Board members, staff, and volunteers of SCVHA. I have considered not only the literal expression of the policy, but also its intent. By signing this affirmation of compliance, I hereby affirm that I understand and agree to comply with the Conflict of Interest Policy. I further understand that SCVHA is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Except as otherwise indicated in the Disclosure Statement and attachments, if any, below, I hereby state that I do not, to the best of my knowledge, have any conflict of interest that may be seen as competing with the interests of SCVHA, nor does any relative or business associate have such a real or apparent conflict of interest.

If any situation should arise in the future that I think may involve me in a conflict of interest, I will promptly and fully disclose the circumstances to the President (Chairman) of the Board of Directors of SCVHA or to the Executive Director, as applicable.

I further certify that the information set forth in the Disclosure Statement and attachments, if any, is true and correct to the best of my knowledge, information, and belief.

Name (Please print)

Signature

Date

Appendix B
SCVHA Disclosure Statement

Please complete the questionnaire, below, indicating any real or apparent conflicts of interest. If you answer "yes" to any of the questions, please provide a written description of the details of the specific action or transaction in the space allowed. Attach additional sheets as needed.

Financial Interests - A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision made or transaction entered into by the SCVHA.

Please indicate, during the past 12 months:

Has the SCVHA contracted to purchase or lease goods, services, or property from you or from any of your relatives or business associates?

Yes No

If yes, please describe:

Has the SCVHA purchased an ownership interest in or invested in a business entity owned by you, or owned by any of your relatives or business associates?

Yes No

If yes, please describe:

Has the SCVHA offered employment to you, or to any of your relatives or business associates, other than a person who was already employed by the organization?

Yes No

If yes, please describe:

Have you, or have any of your relatives or business associates, been provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with the SCVHA?

Yes No

If yes, please describe:

Have you, or any of your relatives or business associate, been gratuitously provided use of the facilities, property, or services of the SCVHA?

Yes No

If yes, please describe:

Other Interests - A conflict may also exist where an interested party, or a relative or business associate of an interested party, obtains a non-financial benefit or advantage that he would not have obtained absent his/her relationship with the organization, or where his/her duty or responsibility owed to the SCVHA conflicts with a duty or responsibility owed to some other organization.

Please indicate if at any time during the past twelve months:

Did you obtain preferential treatment by the SCVHA for yourself, or for any of your relatives or business associates?

Yes No

If yes, please describe:

Did you make use of confidential information obtained from the SCVHA for your own benefit, or for the benefit of a relative, business associate, or other organization?

Yes No

If yes, please describe:

Did you take advantage of an opportunity, or enable a relative, business associate or other organization to take advantage of an opportunity, which you had reason to believe would be of interest to the SCVHA?

Yes No

If yes, please describe:

Organizational Conflicts – A conflict may exist because of relationships with a related organization, parent company, affiliate, or subsidiary organization, the SCVHA is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

Please indicate if at any time during the past twelve months:

Did you obtain or provide preferential treatment in the selection, award, or administration of a contract or grant to an employee, officer, or agent of an organization or company applying for a contract or award for SCVHA?

Yes No

If yes, please describe: