



## **MEMBERSHIP MANUAL**

# California Alliance of Children and Family Services

## Membership Manual

**TITLE:** Alliance Membership Manual

**DATE:** May 31, 2019

**THIS REPLACES:** The Accreditation Manual: Updated February 15, 2015 Edition

**DISTRIBUTION:**

The manual will be provided electronically to all Alliance Members.

This manual details the Alliance Membership Structure, Dues Responsibilities and Membership Process.

# Table of Contents

## Section: A1. Alliance Membership Structure

4.....Alliance Membership Procedure

## Section: B. Alliance Membership

5.....Alliance Membership Structure

6.....Responsibility of Alliance Board of Directors

7..... Responsibility of Membership Committee

8.....Membership Committee Meetings

9.....New Members

10.....Membership Criteria

11.....Code of Ethics

12.....Provisional Membership

13.....Agency As Member

14.....Alliance Advocated Services and Programs

15.....Lapse In Alliance Membership

16.....Probation

17.....Protocol for Addressing Member Ethics Complaints

## Section: C. Alliance Dues

18.....Dues Assessment

19.....Dues Responsibility

20.....Dues In Arrears

## Section: D. Accreditation

21.....Accreditation

## Section: E. Board of Directors

22.....Board Reports

23.....Conflict of Interest

Section: A1. Alliance Membership Procedure  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: ALLIANCE MEMBERSHIP PROCEDURE**

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**POLICY SUMMARY:**

The Alliance Bylaws require members to comply with the standards and rules for membership.

**PROCEDURE:**

**Membership Rules:**

- a) The Alliance Board of Directors shall establish Membership Rules which are overseen by the Membership Committee; all Membership Rules shall be included in the Membership Manual.
- b) All members shall receive a copy of the current Membership Manual upon Provisional Membership approval.
- c) All members shall be notified of any updates or revisions to the Membership Manual.

Section: B1. Alliance Membership  
First Approved: September 21, 2007  
Revision Date: March 2015

POLICY TITLE: **ALLIANCE MEMBERSHIP STRUCTURE**

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POLICY:

The California Alliance of Child and Family Services is a statewide association of accredited, private nonprofit child and family serving agencies. The California Alliance of Child and Family Services provides legislative and regulatory advocacy on behalf of our member agencies regarding a wide range of key policy issues.

PROCEDURE:

The California Alliance recognizes two primary categories of membership: General Members and Provisional Members.

**General Members** are those agencies in good standing that have met the requirements for Alliance membership including successful completion of accreditation by an approved national accrediting body. They are entitled to all the privileges of membership.

**Provisional Members** are those agencies that have applied for General Membership in the Alliance and are in good standing but have not yet completed the accreditation process, or were previously General Members, but have allowed their accreditation to lapse. If General Membership is not achieved within three years, the Membership Committee may terminate the membership.

Other categories of membership include:

**Associate Members** are professionals, partnerships or corporations that offer services or products to the Alliance or its members. While Associates are associated with the Alliance they have no voting rights and do not participate in the accreditation process of the Alliance.

**Professional Associate** status is a special program for individuals (not organizations) who are involved in research, lobbying, corporate or institutional planning, issues management, technology assessment, policy analysis urban and regional planning, and related areas. Professional Associates include clinical professionals, educators, consultants, government and business leaders, researchers, think-tank members, corporate planners, retired executives and other individuals in child and family services.

Section: B2. Alliance Membership  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: RESPONSIBILITY OF ALLIANCE BOARD**

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**POLICY:**

The Alliance Board shall be the final arbiter of disputes/conflicts that have arisen in the membership process.

**PROCEDURE:**

- a) The Alliance Board of Directors shall approve all Provisional and General Members.
- b) The Alliance Board of Directors shall approve all Associate and Professional Members.
- c) The Alliance Board of Directors shall hear all member or dues related issues brought by the Chair of the Membership Committee or the Director of Membership & Marketing.

Section: B3. Alliance Membership  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: RESPONSIBILITY OF MEMBERSHIP COMMITTEE**

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**POLICY:**

The Membership Committee shall be comprised of nine (9) individuals who are chief executives or senior leadership staff of member agencies and have been elected by the General Membership for a term of three years.

**PROCEDURE:**

- a) The Membership Committee shall recommend approval of Provisional Membership or General Membership (if nationally accredited) to the Board of Directors.
- b) The Membership Committee shall approve Associate status applicants.
- c) The Membership Committee members shall act as liaisons to General Members and Nonmembers as deemed appropriate by the Director of Membership & Marketing and the Membership Committee.
- d) The Membership Committee shall review and recommend amendments of membership policies to the Board of Directors.
- e) The Membership Committee provides input and assistance in the development and execution of a comprehensive membership recruitment and retention program.

**POLICY TITLE: MEMBERSHIP COMMITTEE MEETINGS**

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**POLICY:**

The Membership Committee meets 8 to 12 times yearly, and additionally as deemed necessary, either in person or by conference call as the need arises. An agenda is prepared in advance of each meeting and members are supplied by email all of the documentation for decisions and any other agenda items. Minutes and a Board Report are prepared immediately following each meeting.

**PROCEDURE:**

- a) The Membership Committee determines its meeting schedule for the year at its first meeting following elections and installation of new members each September.
- b) In consultation with the Membership Director and the Committee Chair, the breadth and scope of business at a scheduled meeting may be such that the business can be accomplished in a telephone conference call.
- c) The Membership Director, in consultation with the Committee Chair, prepares the Agenda for each meeting. The Agenda follows a specific format of topics.
- d) The Membership Director sends the Agenda and any supporting documentation for it by email to all members (and the Alliance Executive Director) at least 3 to 5 days prior to the scheduled meeting.
- e) The Membership Director takes minutes of the meeting.
- f) The Membership Director provides Budget information at the Committee's request.
- g) Minutes are prepared by the Executive Assistant as soon as possible after the meeting and sent to the Chair for review (with a copy to the Alliance Executive Director).
- h) A Board Report is prepared by the Membership Director from the Committee minutes and submitted to the Alliance Executive Director.



**POLICY TITLE: NEW MEMBERS**

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**POLICY:**

Any family, children, or youth services agency which is a public benefit or religious corporation having an IRS classification as a public charity or private non-profit, duly licensed as such by the State of California, and providing services for which the Alliance advocates (see Section B8), may apply to become a member of the California Alliance.

**PROCEDURE:**

- a) Prospective Members shall complete the Member Application and submit the application fee.
- b) The Director of Membership & Marketing will contact the agency to confirm that the agency qualifies to become a member.
- c) If the prospective member agency has previously been an Alliance member:
  - a. The Director of Membership & Marketing will report to the Membership Committee that the agency has in the past been a member of the Alliance, if the agency holds a debt to the Alliance, and why the agency terminated Alliance membership, if applicable.
  - b. Any past member of the Alliance holding a debt of three (3) months or more dues, shall be notified that membership approval will be delayed until the agency has submitted payment of the re-calculated (according to a current dues assessment) dues amount which when paid in full, will eliminate the bad debt history of the agency with the Alliance.
- d) The Alliance Director of Membership & Marketing, and a member of the Membership Committee or a member of the Alliance Board of Directors may visit the agency that has applied for membership. During the visit and/or subsequent phone call, the agency will be informed of the member benefits, accreditation requirements and dues structure.
- e) The Membership Committee will either recommend approval of the agency for Provisional Membership, for General Membership if accredited, or recommend the agency not be considered for membership at that time.
- f) Agencies recommended for Provisional Membership will be responsible for full dues payment beginning the first of the month following Provisional Membership approval by the Membership Committee and Board.
- g) An agency may continue as a Provisional Membership during the accreditation process.
- h) An agency not becoming nationally accredited within three years, may be terminated as a Provisional Member of the Alliance, as determined by action of the Board of Directors pursuant to recommendation by the Membership Committee.
- i) Provisional Membership lasts for one year and may be extended each year for up to three years, per recommendation of the Membership Committee.

**POLICY TITLE: MEMBERSHIP CRITERIA**

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According to the Alliance bylaws, new members must meet the following criteria:

1. The organization is a nonprofit corporation as defined under IRS Code Section 501(c)(3).
2. The organization provides care and supervision, services and support, or treatment and therapies to target populations of children, youth or families served by one of the public human services or education systems. Programs or services provided to the target populations include at least one of the following:
  - a) Adoption
  - b) Education (e.g. NPS, NPA, Charter School)
  - c) Family-based services
  - d) Foster family-based care and treatment
  - e) Mental health services
  - f) Residential care and treatment
  - g) Transition-age youth services
  - h) Prevention
  - i) Promising practices, emerging programs and services
3. The organization and all Alliance advocated services and program areas are accredited by a national accrediting body including the Council on Accreditation (COA), The Joint Commission or the Commission on Accreditation of Rehabilitation Facilities (CARF) or by any other accrediting entity accepted by the organization's primary accrediting body and as approved by the Board of Directors (e.g., NCACES as approved by COA for nonpublic schools).
4. The organization remains current in dues obligations.
5. The organization submits all organizational, program, fiscal, and other data as required by the California Alliance of Child and Family Services.
6. The organization will abide by the Alliance Code of Ethics.

## POLICY TITLE: **CODE OF ETHICS**

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The following Code of Ethics was approved by the Alliance Board of Directors on June 14, 2021:

### **Mission Statement:**

Promoting the health, wellbeing and safety of children, youth, and families in California as a collective voice impacting policy and best practices to strengthen the systems that serve them.

### **Vision Statement:**

All children, youth and families thrive in loving, healthy, safe communities.

### **Guiding Principles:**

- ✓ **Child and Family Centered - We engage and promote those most impacted** by representing diverse communities across the state and ensuring they have a seat at the decision-making table.
- ✓ We invest in and advocate for the permanency and well-being of every child, youth, and family, acknowledging their **fundamental right to be respected and loved.**
- ✓ We commit to **Diversity, Equity, and Inclusiveness** in our practices, policies, advocacy, and member support.
- ✓ We recognize our interconnectedness and the necessity to strive for **deep levels of collaboration** to bring together organizations who serve children and families, break isolation, and promote peer sharing. No one can do this alone.
- ✓ We engage in critical dialogue and analysis to continuously **innovate and improve practice models** that are rooted in evidence.
- ✓ **We invest in staff** to ensure they reflect the communities served, are supported by trauma-informed work environments, and can maintain endurance in the field.

## **Code of Ethics**

Given its mission, the California Alliance has adopted a Code of Ethics to guide itself, member agencies, and Associates in their conduct. The Code contains broad principles reflecting the types of behavior the California Alliance expects toward children and youth, their families, other private human service organizations, public agencies, constituents, donors, employees, and the public. This Code of Ethics is an effort to highlight the fundamental values and ethical principles considered essential to our mission and the mission of our members.

This policy is not intended as a stand-alone policy. It does not embody the totality of the California Alliance ethical standards, nor does it answer every ethical question or issue that might arise. Rather, it is one element of a broader effort to create and maintain a quality organization that give ethical conduct the highest priority.

Alliance Associates, member agencies, their staff and boards of directors must:

1. Act honestly, truthfully and with integrity in all transactions and dealings to reflect positively on the profession, the Alliance and member agencies.
2. Keep the rights, needs and interests of the children, youth, and families for whom services are provided as the focus of all transactions.
3. Strive for excellence and innovation and demonstrate professional respect and responsiveness to clients, contracting public agencies, donors, and others.
4. Treat every individual with dignity, respect, and fairness.
5. Treat all executives and staff from other agencies with respect, and accurately and fairly represent the services provided by colleagues.
6. Avoid conflicts of interest in transactions and relationships and notify the Membership Committee if they exist.
7. Act responsibly toward the communities in which member agencies work and for the benefit of the communities they serve.
8. Be responsible, transparent, and accountable for all our actions.
9. Comply with applicable federal, state, and local laws and regulations.
10. Honor commitments and promises to the best of our abilities.
11. Not discriminate in relationships or services with children, youth and families, contractors, and colleagues on the basis of race or ethnicity, gender, gender identity, gender expression, age, religion, national origin, sexual orientation or disability.

### **Compliance and Reporting**

The California Alliance staff is responsible for communicating this Code of Ethics to all members of the board of directors, standing committee members, as well as staff, staff interns and staff volunteers and for ensuring its adherence at all times. If an unethical practice is brought to the attention of the Alliance, it will be brought before the Membership Committee for consideration. The committee will further research the issue and prepare a report and recommendation for the Alliance Board of Directors,

Section: B7. Alliance Membership  
First Approved: September 21, 2007  
Revision Date: May 2021

### **POLICY TITLE: PROVISIONAL MEMBERSHIP**

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#### **POLICY:**

The California Alliance of Child and Family Services requires all members to remain a Provisional Member until nationally accredited.

Provisional Members are entitled to all member benefits except the following:

- a) Provisional Members have voting privileges.
- b) Provisional Members may not Chair Business or Program Committees or serve on the Board of Directors.
- c) A Provisional Member may not characterize itself as an Accredited Alliance member and may not display the California Alliance Accredited Member Agency Logo.
- d) Provisional Members will be listed separately on the Alliance website and roster.

Section: B8. Alliance Membership  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: AGENCY AS MEMBER**

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**POLICY:**

The member shall include all entities related to the member agency. The term “member agency” refers to the agency named as a General Member or Provisional Member of the California Alliance and to all corporate and affiliated entities of the member agency, both nonprofit and for-profit. “Corporate and affiliated entities” include but are not limited to: subsidiary corporations; parent corporations with overarching fiscal, administrative or programmatic control; affiliated entities with interlocking management or governance; and any entity with clear administrative, fiscal or programmatic interrelationship with the named member agency.

**POLICY TITLE: ALLIANCE ADVOCATED SERVICES AND PROGRAMS**

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**POLICY:**

The Alliance shall advocate on behalf of member agencies in program and service areas including:

- Adoption: all programs and service areas focused on adoption of children with special needs, adoption of children from the public systems, and associated pre and post adoption services.
- Education: all nonpublic schools and programs, and service areas focused on educational services related to children in residential care; including but not limited to NPS services and Workability.
- Family-based services: all programs and service areas focused on providing in-home and community based, child-focused, family-centered services; including but not limited to family preservation services and Wraparound.
- Foster family agency: all foster family agencies and related programs and services.
- Juvenile justice: all programs and services focused on youth in the juvenile justice system.
- Mental health: all mental health services for children and youth.
- Residential care: all group homes, CTFs, and residential programs for children and youth.
- Transitional services for foster or former foster youth: all services and support for youth transitioning out of the foster care system; including but not limited to transitional housing, THPP, THP+, and THP+ Foster Care.
- Prevention: all prevention based services including Wraparound, Family Resource Centers, early education and related programs and services.
- Promising Practices, emerging programs and services: promising programs and services provided by member agencies.

Section: B10. Alliance Membership  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: LAPSE IN ALLIANCE MEMBERSHIP**

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**POLICY:**

The Alliance Bylaws require that member agencies hold a current accreditation by an approved national accrediting organization for all Alliance advocated programs and services, as outlined in Section D1: Accreditation.

**PROCEDURE:**

- a) An agency may have a lapse in accreditation which may lead to assignment of the agency to Provisional Member status or probation.
- b) The Membership Committee will review each situation and make a formal recommendation to the Board.

POLICY TITLE: **PROBATION**

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POLICY:

Any member of the Alliance may be placed on probation by a majority vote of the members present at a duly constituted meeting of the Board of Directors due to issues arising around membership dues and by member request.

PROCEDURE:

- a) Length of Probation
  - i. An agency may be on probationary status for a period extending for no less than thirty (30) days or no more than one year.
  - ii. The period of probation may be extended by the Membership Committee upon request of the agency.
- b) Steps of Probation
  - i. Letter advising member agency of possibility of probation due to:
    - A) Dues
    - B) Member Request
  - ii. Letter confirming probation and effects of probation. Effects of probation include and are not limited to:
    - A) Removal from [www.cacfs.org](http://www.cacfs.org) website
    - B) Removal from Alliance rooster
    - C) Removal from all Alliance communication including email and phone.
    - D) Member will not receive member registration privileges to Alliance conferences and training.
    - E) Suspension of right to designate itself either by symbol or otherwise, as a member of the Corporation.
    - F) Limiting the agency's access to, and utilization of, the membership services of the Corporation.
- c) An agency shall move from Probation to General Member status by meeting all requirements set by the Membership Committee regarding probation which may include and are not limited to:
  - i. Signing a payment plan and payment of one month's dues.
  - ii. Request for reinstatement of General Member status.



**POLICY TITLE: PROTOCOL FOR ADDRESSING MEMBER ETHICS COMPLAINTS**

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The following is suggested protocol for addressing inter-member ethics complaints

1. Obtain complaint in writing from complaining member agency (complainant).
  - a. Executive Director (ED), Membership Director and Membership Committee chair (Chair) review complaint.
  - b. ED and Chair determine whether the complaint, if sustained, would constitute a violation of Alliance ethics.
    - i. If no, ED notifies complainant of determination. End of involvement.
    - ii. If yes,
2. ED notifies member agency that it is the subject of a complaint (subject) and shares the written complaint.
3. Subject is given the opportunity to respond in writing to the complaint.
  - a. A copy of subject's response is shared with complainant.
  - b. ED and Chair review subject's response.
4. Chair and ED meet with chief executives of complainant and subject agencies with the goal of clarifying the concern(s) that led to the complaint, understanding the situation from the perspectives of both the complainant and subject, determining if an ethics violation occurred, and crafting a remedy.
5. Chair and ED determine if an ethics violation occurred and craft a remedy.
6. Chair and ED present the determination and remedy in a written report to chief executives of complainant and subject agencies.
  - a. If complainant and subject agree to determination and remedy, they sign the report. End of involvement.
  - b. If subject does not agree, the Chair and ED refer the issue to the Board of Directors with their report and recommendation.
  - c. The Chair and ED notify the complainant and subject of their action.
7. The Executive Committee reviews the written report.
  - a. The Executive Committee offers the subject an opportunity to be heard, orally or in writing, with respect to the matter.
  - b. The Executive Committee makes a determination whether to sustain or not sustain the report.
  - c. If the Executive Committee sustains the report and its recommendation, and if the subject accepts the determination, the subject signs the report. End of involvement.
  - d. If the Executive Committee sustains the report and its recommendation, and if the recommendation is for expulsion, or if the subject refuses to accept the determination of the Executive Committee, the Committee refers the matter to the full board of directors for action.

The decision of the board of directors is final.

Section: C1.Alliance Dues  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: DUES ASSESSMENT**

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**POLICY:**

The Alliance shall on an annual basis provide to the members a Dues Assessment which will assist the agency in calculating the agency's obligations according to expenditures, agency, and programs/services.

The member shall submit annually a complete an up-to-date Dues Assessment to the Alliance.

**PROCEDURE:**

The Alliance will provide each member with an Annual Dues Assessment form and request the member submit the Assessment.

The Assessment shall be based on an agency's most recently completed fiscal year.

Expenditures for Alliance-advocated programs/service areas during the most recently completed fiscal year shall include direct costs and allocations to all categories of expenditures including, but not limited to: payroll including benefits, contract services, program support, facility related costs, vehicle costs, child related costs, and administration and other allocated overhead costs.

All of a member agency's services and programs impacted by Alliance activities must be included by the member agency in its dues assessment. A member agency may not choose to identify only a portion of its programs or service areas for Alliance membership, accreditation, and dues assessment.

Section: C2. Alliance Dues  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: DUES RESPONSIBILITY**

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**POLICY:**

The Alliance Bylaws require established dues collection from members for Alliance expenses. Members shall remain current in their dues responsibility.

**PROCEDURE:**

Members shall pay dues annually or monthly.

The Alliance will apply payments to the oldest balance due unless invoice number or date is specified on the check.

Statements are mailed on a monthly basis to those that hold a credit or outstanding balance.

**POLICY TITLE: DUES IN ARREARS**

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**POLICY:**

The Alliance Bylaws require that member agencies remain current in dues responsibility. Agencies that do not meet the requirement are subject to probation or having their membership terminated.

**PROCEDURE:**

- a) If a member agency has not paid membership dues for two (2) consecutive months, the Alliance will (1) send the member agency a Statement detailing the two (2) months of past due payments, (2) the Membership Committee approved Payment Plan for making up the two months of delinquent dues along with a letter advising of the possibility of probation and termination and requiring a response from the member agency within 2 weeks, and (3) an invoice for the current third month of dues.
  - 1) When the agency signs the Approved Membership Committee payment plan, the agency agrees to pay back dues and current dues in a timely manner, as detailed in the plan and will not be considered for probation once the first month payment is received. Alliance staff will inform the Membership Committee of the agency's agreement to the plan.
  - 2) If the agency does not respond to the statement, payment plan, and letter informing the member of possibility of probation and termination, the agency will be placed on probation on the last day of the third month for which the agency did not pay dues. The agency will then be placed on the Membership Committee agenda for a membership status determination.
- b) The Alliance Membership Committee Payment Plan allows a member agency to pay back delinquent dues. The Payment Plan requires that all dues be made on time and when payments are not received on time the plan is void.

Section: D1. Accreditation  
First Approved: September 21, 2007  
Revision Date: February 2015

**POLICY TITLE: ACCREDITATION**

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**POLICY:**

The members of the Alliance share a commitment to excellence and strive to improve the quality of care and services provided to vulnerable children and families. This is demonstrated through member agencies' commitment to accreditation.

All member agency's services and programs impacted by Alliance activities must be accredited through a national accrediting organization approved by the Alliance Board of Directors. All programs and services provided by the member agency and for which the Alliance provides advocacy must be accredited. A member agency may not choose to identify only a portion of its programs or service areas for accreditation.

The California Alliance accepts accreditations from national accrediting bodies including:

- Council on Accreditation (COA)
- The Joint Commission
- Commission on the Accreditation of Rehabilitation Facilities (CARF)

Should accreditation by a single national accrediting body not cover all programs/services provided by the agency, accreditation of the uncovered program by another body is required. If an agency has a non-public school, the agency must achieve accreditation for the non-public school through another approved accrediting body, such as WASC or NAPSEC.

**PROCEDURE:**

Member agencies must successfully complete the accreditation process and maintain current accreditation to continue General Membership in the Alliance.

A member agency that adds a service or program for which the Alliance advocates, the agency must have that program or service accredited when the agency undergoes its next accreditation review.

The member agency shall submit its national accreditation certificate to the Alliance. The agency will be timely in providing any pertinent correspondence from their national accrediting body to the Alliance on an on-going basis.

The Membership Committee shall determine the extent to which the accreditation(s) fulfill(s) the accrediting requirements of the California Alliance.

POLICY TITLE: **BOARD REPORTS**

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POLICY:

Following each Membership Committee meeting, a report to the Board of Directors will be prepared by the Membership Director that includes the names of the agencies recommended for General Membership, the names of agencies recommended for Provisional Membership, the names of agencies recommended for termination as well as the reason for termination, and any special recommendation being made to the Board by the Committee.

PROCEDURE:

Following each Membership Committee meeting, the Membership Director will prepare the meeting minutes. From the meeting minutes, the Membership Director will prepare a Board Report.

The Board Report will contain a list of:

- All agencies, with their Executive Directors, being recommended for Provisional or General Membership.
- All agencies, with their Executive Directors, being recommended for termination, whether termination is voluntary or involuntary, and the reason for termination
- Any special recommendations made by Membership Committee.

The Membership Director provides the Board Report to the Executive Director of the Alliance for review. If acceptable, the Board Report is included as part of the Board packet sent to Board members in advance of the Board meeting.

Generally, the Membership Committee Report to the Board is listed on the “Consent Agenda.”

**POLICY TITLE: BOARD OF DIRECTORS CONFLICT OF INTEREST**

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**PURPOSE**

The Alliance Board of Directors has established a Conflict of Interest policy to protect the interest of the Alliance when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Alliance 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.

**Definitions**

**1. Interested Person**

Any director, principal officer, staff member, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Alliance has a transaction or arrangement,
- b. A compensation arrangement with the Alliance or with any entity or individual with which the Alliance has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Alliance is negotiating a transaction arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest; a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**POLICY**

Any member of the Board of Directors, committee chairs, members and staff who may be involved in an Alliance business transaction in which there is a possible conflict of interest (Interested Person) shall promptly notify the President of the Board of Directors.

The Interested Person shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The Interested Person's presence may not be counted in determining the quorum for any vote with respect to a business transaction in which he or she has a possible conflict of interest. Furthermore, the Interested Person, or the President in the Interested Person's absence, shall disclose a potential conflict of interest to the other members of the Board before any vote on an Alliance business transaction and such disclosure shall be recorded in the Board minutes of the meeting at which it is made.

Any Alliance business transaction which involves a potential conflict of interest with a member of the Board of Directors, committee chairs, members and staff shall have terms which are at least as fair and reasonable to the Alliance as those which would otherwise be available to the Alliance if it were dealing with an unrelated party.

The conflict of interest statement shall be reviewed and signed annually by each director, principal officer, staff member, or member of a committee with governing board delegated power. The conflict of interest statement shall be kept by the Executive Director.

## **PROCEDURES**

### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- a. An Interested Person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Alliance can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Alliance's best interest and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

### **4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, and any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.



- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Alliance for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Alliance for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Alliance, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **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 the Alliance 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.

### **Periodic Reviews**

To ensure the Alliance 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 result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management entities conform to the Alliance's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in impermissible private benefit or in an excess benefit transaction.

### **Use of Outside Experts**

When conducting the periodic reviews, the Alliance 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.



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**Conflict of Interest Statement**

**For Officers, Directors, Committee Members, Staff Members, and certain Consultants:**

No member of the Alliance Board of Directors, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the Alliance. Each individual shall disclose to the Alliance any personal interest which he or she may have in any matter pending before the Alliance and shall refrain from participation in any decision on such matter.

Any member of the Alliance Board, any Committee or Staff member who is an officer, board member, a committee member or staff member of a borrower organization or a loan applicant agency shall identify his or her affiliation with such agency or agencies; further, in connection with any credit policy committee or board action specifically directed to that agency, he/she shall not participate in the decision affecting that agency and the decision must be made and/or ratified by the full board.

Any member of the Alliance Board, any Committee, or Staff member shall refrain from obtaining any list of Alliance members for personal or private solicitation purposes at any time during the term of their affiliation.

At this time, I am a Board member, a committee member, or an employee of the following organizations:

(list all organizations)

Now this is to certify that I, except as described below, am not now nor at any time during the past year have been:

1. A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party; doing business with the Alliance which has resulted or could result in personal benefit to me.
2. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Alliance (other than employment in an Alliance member agency).
3. Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons and/or organizations having transactions with the Alliance.

(list persons and/or organizations)

Signature: \_\_\_\_\_

Printed name: \_\_\_\_\_

Date: \_\_\_\_\_