

## CONFLICT OF INTEREST POLICY AND AGREEMENT

Regulations of the United States Small Business Administration (SBA) set forth the basic requirements for conflict of interest policy. With regard to Small Business Development Centers, it is stated in 13 CFR 130.330 that "The Lead Center and other SBDC service providers must have a conflict of interest policy applicable to their **SBDC consultants, employees, instructors and volunteers.**"

Further guidance with respect to conflict of interest policy can be found in the SBA Program Announcement for FY/CY 2009 for Renewal of the Cooperative Agreement for Current Recipient organizations. It is stated in the announcement that:

"Each SBDC network must have a written conflict of interest policy which is signed annually by all employees, consultants, instructors and volunteers of the SBDC network. The policy must include enforceable elements safeguarding the SBDC program from the actual or apparent conflict that could result from:

- Personal gain, remuneration or pecuniary interest in a past or current SBDC client(s).
- The solicitation or acceptance of any gift, loan, reward, equity in a business, compensation or other monetary remuneration, promise of future employment.
- A compensated recommendation for any goods or services to an SBDC client.
- Soliciting or accepting a compensated position for services which are part of the SBDC network services.
- Disclosing any private or confidential business or personal information to a third party other than SBA without written consent of the client."

In order to comply with the requirements stated in the regulations and program announcement, the Santa Ana District Tri-County Lead Small Business Development Center has adopted SBDC Network Policies and Procedures. With regard to Standards of Conduct, the Lead Center policy states in section 6.6 that "Each SBDC must have a conflict of interest policy which is disseminated to all employees, consultants, instructors and volunteers of the SBDC network."

Each SBDC has a responsibility to establish a conflict of interest policy that is acknowledged and signed **each year** by employees, consultants, instructors and volunteers. Likewise, each counselor and each client must sign a Form 641 Counseling Information Form.

Policy conditions include:

- SBDC personnel and volunteers will not enter into any agreement, contract, or partnership directly or indirectly with any SBDC active client or any SBDC client for a period of six months from the date client ceases to be an active client unless the waiting period is specifically waived in writing by the client and SBDC personnel and approved by both the local service center Director and Lead Center Director. Personnel and volunteers are also prohibited from holding an equity interest or a pecuniary interest with a client during that period.
- SBDC personnel will treat all client information with the strictest degree of confidentiality during and after employment with the SBDC and will only use the information as it relates to his or her work with the SBDC. Additionally, SBDC personnel will not disclose any confidential client information to third parties (except those specified in our funding contracts).

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- SBDC personnel will not recommend to active clients the purchase of goods and/or services in which they have a personal interest; accept fees or commissions from third parties who have supplied goods and/or services on the recommendation of the SBDC personnel; accept fees, commissions, or gifts of any value from the client for services rendered as a consultant with the Santa Ana District SBDC Network; or solicit the private engagement of services at any time during the term of engagement as a consultant or staff member with the SBDC client. In addition to the act of soliciting such engagements, those consultants must forebear from accepting engagements or other business from past or current SBDC clients.

I HAVE READ AND UNDERSTAND THE FOREGOING CONFLICT OF INTEREST POLICY AND AGREEMENT, I AGREE TO ITS TERMS, AND MY ACTIONS HAVE BEEN AND WILL CONTINUE TO BE GUIDED THEREBY.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
STAFF/VOLUNTEER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SBDC DIRECTOR