

Kansas State Youth Soccer Association

CONFLICT OF INTEREST - RULE 7.0

7.0. CONFLICT OF INTEREST

7.1. Purpose

The purpose of the conflict of interest policy is to protect KSYSA's tax-exempt interest and to instill trust and confidence in the members and public at large in the actions of KSYSA. 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.

7.2. Definitions

7.2.1. 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.

7.2.2. 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 KSYSA has a transaction or arrangement,
- b. A compensation arrangement with KSYSA or with any entity or individual with which the KSYSA has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which KSYSA is negotiating a transaction or 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. Under Rule 7.3.2, 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.

7.3. Conflict of Interest

An Interested Person is expected to act at all times in KSYSA's best interests and to exercise sound judgment unclouded by personal interests or divided loyalties. Both in the performance of duties for KSYSA and in any outside

activities, an Interested Person shall **avoid the appearance as well as the reality of a conflict of interest**. A conflict of interest exists if the circumstances would lead a reasonable person to question whether the motivations are aligned with KSYSA's best interests. If, for example, an Interest Person is involved in an outside activity or has a financial or other personal interest that might interfere with their objectivity in performing company duties and responsibilities, they may have a conflict of interest.

It is impractical to describe all situations that may create a conflict of interest; however, the following provide guidance about some of the most common conflict of interest situations:

- Use of Confidential KSYSA Information, such as membership lists, for private gain or recruitment;
- Outside Activities with other soccer organizations;
- Employment by other entities in areas related to soccer;
- Service on a Board of Directors;
- Service on Technical Advisory Boards;
- Family and Romantic Relationships;
- Spouses, Domestic Partners, Immediate Family Members or Relatives as Suppliers, Vendors, and other Business Partners;
- Kickbacks and Rebates by Suppliers or Vendors;
- Gifts from Vendors, Suppliers or Customers;
- Honorariums.

The above is not an exhaustive list of examples. Many other situations may also create a potential for a conflict of interest or the appearance of a conflict of interest. It is the responsibility of each Interested Person to be aware of the potential for a conflict of interest in any particular situation and to resolve the issue in accordance with this policy.

7.4. Procedures

7.4.1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest or other conflict 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.

7.4.2. 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.

7.4.3. 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 KSYSA 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 reasonably 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 KSYSA's best interest, for its own benefit, 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.

7.4.4. 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 interested person of the basis for such belief and afford the interested person 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, including suspending the person for an indefinite period of time.
- c.** It shall be a violation of this Conflict of Interest Policy for any Interest Person to obtain a list of Players or Members registered with KSYSA or its Affiliates for personal or private solicitation purposes during the term of their affiliation with KSYSA.

7.4.5. Conflicts of Interest Involving Game Officials

Rule 5.4 shall govern conflicts of interest involving the refereeing of a match or the conduct of referees.

7.5. 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, 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.

7.6. Compensation

- a.** A voting member of the governing board who receives compensation, directly or indirectly, or who has an immediate family member who receives compensation from KSYSA for services is precluded from voting on matters pertaining to that member's or family member's compensation.
- b.** A voting member of any committee whose jurisdiction includes compensation matters and who receives or whose immediate family member receives compensation, directly or indirectly, from KSYSA for services is precluded from voting on matters pertaining to that member's or family member's compensation, including but not limited to the hiring or retention of the member or family member.
- c.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from KSYSA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- d.** Staff who receive compensation from KSYSA, whether directly or indirectly or as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters.

7.7. Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers and every other Interested Person 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 that KSYSA 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.

7.8. Periodic Reviews

To ensure the Organization 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 organizations conform to KSYSA'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.

7.9 Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization 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.

7.10. Statement to be Executed as Required by Rule 7.7

As an Interest Person associated Kansas State Youth Soccer Association (hereinafter "KSYSA") I shall not derive any personal profit or gain, directly or indirectly, because of my participation in the activities of the Kansas State Youth Soccer Association. I shall disclose to KSYSA any personal interest, which an immediate family member or I may have in any matter pending before the organization and shall refrain from participation in any decision on such matter. I shall refrain from obtaining any list of registered players or members for personal or private solicitation purposes during the term of my affiliation with KSYSA.

In addition to my service for KSYSA, at this time I am a Board member, or I receive compensation as an employee or independent contractor in excess of \$1,000 annually from the following:

- 1.
- 2.

- 3.
- 4.
- 5.

This is to certify that I, except with regard to carrying out my duties as an officer, director or staff member of the KSYSA or 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 KSYSA which has resulted or could result in personal benefit to me, except as described fully below.
- 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 KSYSA.

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 or organizations having transactions with the KSYSA.

I further certify that I have received a copy of, read and understand KSYSA Rule 7.0, Conflict of Interest, I agree to follow and be bound by Rule 7.0, and I understand that KSYSA 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.

Signature: _____ Date _____

Printed name: _____