

# Hoosier Region Volleyball Conflict of Interest Policy

*(Approved by the Board of Directors)*

## **Article I: Purpose**

The purpose of this Conflict-of-Interest Policy is to protect Hoosier Region Volleyball Association's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member, advisory board member, staff member or any member of a committee with board-delegated power, 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.

## **Article II: Definitions**

1. Interested Person
  - a. Any board member, advisory board member, staff member or any member of a committee with board-delegated powers, who has a direct or indirect financial or issue interest, as defined below, is an interested person.
  - b. If a person is an interested person with respect to any entity in the club volleyball network of which this organization is a part, he or she is an interested person with respect to all entities in the network.
2. Financial Interest
  - a. A person has a financial interest if the person has, directly or indirectly, through business, investment, network, or family has:
    - i. an ownership or investment interest in any entity with which the organization has a transaction or arrangement
    - ii. a compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement
    - iii. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating or has in place a transaction or arrangement
  - b. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
  - c. 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.
3. Issue Conflict
  - a. An issue conflict is a situation in which an individual has competing interests or loyalties because of their duties to more than one person or organization.

## **Article III: Examples of Conflict of Interest**

1. Nepotism
  - a. The practice of giving favors to relatives and close friends in matters of hiring, promotion, transfer, or termination.
2. Self-Dealing
  - a. Any action taken by an Interested Person for that person's personal gain rather than for the benefit of the Organization.
3. Excess Compensation
  - a. Setting compensation or benefits and/or scheduling extra payment opportunities above and beyond normally recognized patterns.
4. Bribery
  - a. Giving or asking for something with the intent to influence
5. Misuse of Relationship

- a. Any action taken by an Interested Person that allows, expects, or forces an outside party into an agreement, or around normally-accepted or established business channels
- 6. Gifts
  - a. Accepting for or giving gifts that are above and beyond normal business practices
- 7. Additional Positions
  - a. Accepting additional positions outside of the Organization that conflict with the primary duty of the Individual, or being in a position that supports another organization that is counter to the Organization's mission or business practices
- 8. Profiting from Knowledge
  - a. Any occurrence where an Interested Person profits, either financially or with additional knowledge gained, from access to the Organization Article IV: Procedures

#### **Article IV: Procedures**

- 1. Duty To Disclose
  - a. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the potential conflict and be given the opportunity to disclose all material facts to the board of directors, advisory members, staff members and members of committees with governing board-delegated powers considering the proposed transaction or arrangement.
- 2. Determining Whether a Conflict of Interest Exists
  - a. After disclosure of the potential conflict and all material facts, and after any discussion with the Interested Person, he or 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 or she may be asked to leave the meeting during the discussion of the transaction or arrangement involving the possible conflict of interest. An Interested Person may not vote on this item.
  - b. The chair 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 organization 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 the organization'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.
- 4. Violations of the Conflicts-of-Interest Policy
  - a. If the governing board or committee has reasonable cause to believe a member 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 member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **Article V: 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 connection with an actual or possible conflict of interest, the nature of the 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

## **Article VI: Compensation**

1. A voting member of the governing board who receives compensation, directly or indirectly, from the organization for services, is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
4. People who receive compensation from the organization, whether directly or indirectly or as employees or independent contractors, are precluded from voting specifically on their compensation on any committee whose jurisdiction includes compensation matters. No person, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **Article VII: Annual Statements**

Each board, advisory, staff or other member of a formal committee with governing board-delegated powers shall annually sign a statement that affirms such person:

- a. has received a copy of this conflict-of-interest policy
- b. has read and understands the policy
- c. has agreed to comply with the policy
- d. understands the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes

## **Article VIII: 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 the organization'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.

**Article IX: Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VIII, above, 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.

**HOOSIER REGION YEARLY CONFLICT OF INTEREST DISCLOSURE FORM**

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

Name: \_\_\_\_\_

Position(s): \_\_\_\_\_

If applicable, please describe below any relationships, transactions, positions you hold, or circumstances that you believe could contribute to a conflict of interest between Hoosier Region and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interest to report.

\_\_\_\_\_ I have the following conflict(s) of interest to report. Please specify information in any of these areas (attach additional pages if necessary):

- Other non-profit and for-profit boards that you or your spouse sit on
- Any for-profit businesses for which you or a family member are an officer or director or a majority shareholder
- Any other circumstances which may be a conflict (per the policy language) with the operations of Hoosier Region
- Any payments you receive from Hoosier Region (stipends, independent contractor circumstances, etc.)
- The name of your employer and any businesses you or a family member own):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

I certify the above information is true and complete to the best of my knowledge and understand that failure to report a conflict of interest may result in immediate termination of my position with the organization. I have reviewed and agree to abide by the Hoosier Region Volleyball Association Conflict of Interest Policy. Furthermore, I agree to submit an updated Conflict of Interest Disclosure Form if my status and/or affiliations should change. I also understand that this form should be completed annually.

\_\_\_\_\_  
Printed Name / Signature

\_\_\_\_\_  
Date

Date Received by Hoosier Region Volleyball: \_\_\_\_\_