



## WBLVA Conflict of Interest Policy

<b>Policy Name:</b> Conflict of Interest Policy	<b>Effective Date:</b> Approved by Board of Directors on 09/18/2023
<b>Policy Owner:</b> Executive Committee	<b>Revision Date:</b> Revision approved by Board on – N/A
<b>Category of Policy:</b> WBLVA- Board Policy	

### Policy Purpose

The purpose of this Conflict-of-Interest Policy is to protect the interests of White Bear Lake Volleyball Association (“WBLVA”) when it is contemplating entering into a transaction that might benefit the private interests of an officer or director of WBLVA.

### Policy Components and Procedure

#### Article I: Definitions

1. Interested person. An interested person includes:

- (a) A director, or a member of a committee with board delegated powers (hereinafter “director”), or officer or “key employee” who can influence the actions of the organization of WBLVA, or a member of the family<sup>1</sup> of a director, committee member, or officer or key employee of WBLVA with whom WBLVA is considering a transaction or arrangement;
- (b) A director or officer of a related organization,<sup>2</sup> or a member of the family of a director or officer of a related organization with whom WBLVA is considering a transaction or arrangement; or
- (c) An organization, other than a related organization, with which WBLVA has or is considering a transaction or arrangement, of which a director or officer of WBLVA or a member of the family of such persons, is an officer or director, key employee, or has a material financial interest.

If a person is an interested person with respect to any related organization, he or she is an interested person with respect to all entities in the WBLVA system.

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<sup>1</sup> A member of the family is a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister. Minn. Stat. § 317A.255, Subd. 4.

<sup>2</sup> A related organization is an organization that controls, is controlled by, or is under common control with WBLVA. Control exists where one organization owns at least 50% of the stock ownership or membership interests of another organization, has the right to appoint 50% of the members of the governing body, or has the power to direct or cause the direction of the management and policies of another organization through ownership of voting interests, by contract or otherwise. Minn. Stat. § 317A.0911, Subd. 18.

2. Material financial interest. A material financial interest may include an officer or director or key employee having, directly or indirectly, through business, investment, or family:
  - (a) An ownership or investment interest in any entity with which WBLVA has a transaction or arrangement, or
  - (b) A compensation arrangement with WBLVA or with any entity or individual with which WBLVA has a transaction or arrangement, or
  - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which WBLVA is negotiating a transaction or arrangement.

The existence of an interested person in a transaction or arrangement under consideration by WBLVA requires that the procedures set forth below at Article II be followed to ensure the transaction is not void or voidable under state law and/or that the transaction is consistent with WBLVA status as a tax-exempt organization.

## **Article II: Procedures**

1. Duty to disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her relationship or material financial interest to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement at or prior to the meeting of the board or committee considering the proposed transaction or arrangement.
2. Procedures for addressing the conflict of interest.
  - (a) An interested person may make a presentation at the board or committee meeting at which the transaction will be discussed, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
  - (b) The Board or committee shall, if appropriate, obtain and rely on appropriate data as to comparability (surveys, etc.) prior to making its decision.
  - (c) The chair of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - (d) After exercising due diligence, the board or committee shall determine whether WBLVA can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
  - (e) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in WBLVA's best interest and for its own benefit and whether the transaction is fair and reasonable to WBLVA and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

3. Violation of the Conflicts of Interest Policy.

- (a) If the board or committee has reasonable cause to believe that an individual has failed to disclose a relationship as an interested person, it shall inform the individual of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the response of the individual and making such further investigation as may be warranted in the circumstances, the board or committee determines that the individual has in fact failed to disclose a relationship as an interested person, it shall take appropriate disciplinary and corrective action.

**Article III: Records of Proceedings**

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

- (a) The names of the persons who disclosed or otherwise were found to be interested persons in connection with a proposed or existing transaction or arrangement with WBLVA and the nature of the relationship or material financial interest.
- (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, evidence as to comparability (surveys, etc.) and a record of any votes taken in connection therewith.

**Article IV: Compensation**

- 1. A voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from WBLVA for services is precluded from voting on matters pertaining to that member's compensation.
- 2. When establishing the compensation of any officer, director or other individual in a position to exercise substantial influence over the affairs of WBLVA, the Board or committee shall obtain and rely on appropriate data as to comparability (surveys, etc.) prior to making its decision.

**Article V: Annual Statements**

Each director, officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person:

- (a) Has received a copy of the Standard of Conduct and Conflict of Interest Policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands that WBLVA is a charitable organization and that to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## Director, Committee Member, Officer, and Key Employee Conflict of Interest Statement

I have received, read, and understand the Conflict-of-Interest Policy which applies to directors, members of committees with board delegated powers, officers, and key employees of White Bear Lake Volleyball Association ("WBLVA") and agree to act in accordance with it.

I understand that WBLVA is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. I am aware of my personal responsibility to prevent myself and WBLVA from being placed in a situation where a conflict of interest might exist or could give the appearance of existing.

The questions below refer to any financial, employment, or other interests that are substantial enough that they would, or reasonably could, affect your judgment with respect to decision making on behalf of WBLVA. Please indicate whether you or a family member<sup>1</sup>:

1. Have a substantial financial interest in any outside concern that does business with or has contractual relationships with WBLVA.

I have no such interest.

I have the following interest(s): \_\_\_\_\_

2. Are an employee, officer, or contractor of an organization that is a member or sponsor of WBLVA.

I hold no such positions.

I hold the following positions: \_\_\_\_\_

3. Apart from question #2, are a director, officer, partner, employee, or independent contractor of any organization that does business with, has contractual relationships with, makes grants to, or is in direct or indirect competition with WBLVA?

I hold no such positions.

I hold the following positions: \_\_\_\_\_

4. Have any other potential conflicts that WBLVA should be aware of?

I have no other potential conflicts to disclose.

I wish to disclose the following: \_\_\_\_\_

I understand that this disclosure does not relieve me from the obligation to make disclosure and withdraw from a board or committee meeting when a specific transaction or arrangement is being considered between WBLVA and any organization I have listed above. I will immediately disclose any conflicts of interest that arise subsequent to this disclosure.

Signature \_\_\_\_\_ Date \_\_\_\_\_

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

<sup>1</sup> "Family member" includes a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister.