

Chaska Figure Skating Club Conflict of Interest Policy

Approved 1-2016

Purpose:

The purpose of this policy is to protect the Chaska Figure Skating Club's interest when it is considering entering into a transactional arrangement that might benefit the private interest of an officer or director. This policy supplements but does not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions:

An interested person is any director, officer, or member of a committee who has a direct or indirect financial interest.

A person has a financial interest if the person has, directly or indirectly through business, investment, or family either a.) an ownership or investment interest in an entity with which the organization has a transaction or arrangement, b.) a compensation arrangement with the organization or with any entity or individual with which the organization has a transactional arrangement, or c.) a potential ownership or investment interest in, or compensation arrangement with, an entity or individual with which the organization 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 procedures, section 2, a person who has a financial interest may have a conflict of interest only if the board of directors decides that a conflict of interest exists.

Procedure:

1. Duty to disclose

In connection with an 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 board of directors.

2. Determining whether a conflict of interest exists

After the interested person has disclosed the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the board meeting while the determination of a conflict of interest is further discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

3. Procedure for addressing the conflict of interest

A. An interested person may make a presentation at a board of directors meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

B. The president shall, if appropriate, appoint a disinterested person or committee to investigate possible alternatives to the proposed transaction or arrangement. If the president is an interested person, then the vice president shall have this duty.

C. After exercising due diligence, the board of directors shall determine whether an alternative transaction or arrangement exists that does not give rise to a conflict of interest.

D. If an alternative transaction or arrangement that does not give rise to a conflict of interest is not reasonably possible, the board shall determine by 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.

4. Violations of the conflict of interest policy

A. If the board of directors has reasonable cause to believe that a member has failed to disclose actual or potential conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain any alleged failure to disclose.

B. After hearing the member's response and after making any further investigation as warranted by the circumstances, if the board determines that the member 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 board meetings shall include the information of those involved, including names of interested persons, content of discussion, alternative transactions or arrangements, and the results of all votes taken.

Compensation

A member of the board who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.

Statements

It is recommended that each board member sign a statement annually indicating that they have read and understood the conflict of interest policy, and agree to comply with the policy, understanding that the organization is tax-exempt and in order to maintain its federal tax-exempt status, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Reviews

The organization shall conduct periodic reviews to ensure that it operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The reviews should include whether compensation arrangements and benefits arrangements are reasonable, are properly recorded, further the charitable purposes of the organization, and do not result in inurement, impermissible private benefit or result in an excess benefit transaction. These reviews may utilize outside experts and/or advisors, but their use is not required.