

UNITED STATES ADULT SOCCER ASSOCIATION POLICY CONCERNING CONFLICTS OF INTEREST AND BUSINESS ETHICS

It is the policy of the United States Adult Soccer Association ("USASA") to comply with the terms, spirit, and intent of all applicable laws and regulations of government. Furthermore, the USASA will be run in a business-like and professional manner in such a way that public trust and confidence in the USASA are enhanced. The USASA shall expect and require all persons associated with it to conduct the USASA business with integrity and to maintain high ethical standards of personal and professional conduct with respect to their involvement in the affairs of the USASA and with respect to their business dealings and other relationships with the USASA.

The USASA expects the members of its Board of Directors, its officers, employees and staff, all members of its Standing, Special, Ad-hoc, or other Committees which may be created from time to time by the USASA, and its paid or unpaid consultants, agents, and representatives (all such foregoing persons are hereinafter collectively referred to as "Person(s)"), to recognize and avoid activities, relationships, and investments which involve, or might appear to involve, a conflict of interest, which might be cause for embarrassment to the USASA, which might compromise the integrity and quality of decision-making necessary to the USASA's effective governance, or which might jeopardize the USASA's public reputation and support. In order to avoid harm to the goodwill and public image of the USASA and to ensure the expected high ethical standards of conduct and dealings relating to the business and affairs of the USASA, all Persons shall be expected to observe the guidelines described in this Policy as listed under the following headings:

- A. Conflicts of Interest.
- B. Improper Use of Assets and Record Keeping.
- C. Improper Use of Information.
- D. Gifts, Gratuities or Entertainment.
- E. Lobbying and Political Action.
- F. Accounting Records and Reports.
- G. Disclosure.
- H. Conduct of Board of Directors.

While it is impossible to list in this Policy every circumstance which may suggest a conflict of interest, the following criteria should serve as guidelines when deciding whether a particular situation may give rise to a conflict. Persons should avoid any actions which might result in or create the appearance of:

- using association with the USASA for private gain;
- granting by the USASA of unwarranted preferential treatment to any person or organization;
- misusing the USASA's confidential information for financial or personal gain;
- losing the USASA's independence or impartiality;
- adversely affecting public confidence in the integrity or the reputation of the USASA; or
- endangering life, health or safety.

Any deviation from the guidelines described in this Policy must be reported to the USASA's Board of Directors by giving notice pursuant to Section G. Disclosure. Any exceptions to these guidelines must be approved by the Board of Directors before consummating any part of any affected transaction. Failure to follow these guidelines will not only violate this Policy, but may also be illegal and possibly result in civil liability.

A. Conflicts of Interest

No Person shall act in any manner which causes him or her to have a direct or indirect interest in or relationship with any outside organization or person that might affect (or that might reasonably be understood or misunderstood by others as affecting) the objectivity or independence of his or her judgment or conduct in carrying out the duties and responsibilities he or she has in connection with the USASA's activities. For purposes of this Policy, "outside organization" shall not include the United States Soccer Federation, any member organization, constituent, or affiliated member entities of the USASA.

Anything which could constitute a conflict of interest (or the appearance or perception of a conflict of interest) or unethical conduct on the part of a Person is also a conflict of interest if knowingly engaged in by such Person through a third party such as a spouse, a family member or other persons or organizations with whom such Person is closely identified or in which such Person has any direct or indirect legal or equitable ownership or financial interest or position (including without limitation as a director, officer, shareholder, partner, employee, agent, beneficiary, trustee, investor, or lender).

Examples of circumstances in which a conflict of interest or the appearance or perception of a conflict of interest could arise include a Person's:

- direct (and at times indirect) personal involvement with licensees, suppliers, service providers, sellers, contractors, and customers of the USASA;
- ownership of an interest or any financial interest, direct or indirect, in such an entity;
- acting in any capacity in such an entity;
- acceptance of payments, services, property, loans, or any financial interest, direct or indirect, from such an entity; -ownership of property or any financial interest, direct or indirect, affected by actions of the USASA; - ownership of property or any financial interest, direct or indirect, acquired as a result of the USASA's confidential information;
- outside employment or any interest, direct or indirect, which might impact job performance or efficiency;
- outside activities or any interest, direct or indirect, in civic, professional or political organizations which might involve improper and unauthorized divulging of USASA data; and
- use of his or her position at the USASA to extend an offer of employment to a spouse, family member, or business associate.

As discussed above, the special nature of the USASA's business may create situations where potential conflicts exist and/or are unavoidable. Any such conflict must be disclosed to and approved by the Board of Directors before consummating any part of any affected transaction. In connection with such disclosure and approval, the Person involved shall (at a minimum):

- (i) immediately inform those charged with approving the transaction, corporate action, or other circumstances giving rise to the potential conflict (or the appearance or perception of a conflict of interest) on behalf of the USASA of the nature and extent of such Person's involvement, position, interest or possible benefit with respect to such transaction, action, or circumstances;
- (ii) aid those charged with making the approval decision by disclosing all facts within such Person's knowledge that bear on the advisability of such transaction, action, or circumstances from the standpoint of the USASA;
- (iii) provide such other information and take such actions as may be necessary or appropriate to ensure that the USASA has received full and fair disclosure regarding the transaction, action, or other circumstances giving rise to the potential conflict or the appearance or perception of a conflict of interest and regarding such Person's involvement, position, interest or possible benefit with respect thereto; and
- (iv) abstain from voting, participating in the deliberations, or influencing the approval decision to the extent of such Person's actual or apparent conflict of interest in the matter. Additionally, in some situations, the nature of the Person's involvement, position, interest, or possible benefit with respect to the matters in question may require such Person's physical absence from the meeting during such deliberations and voting.

Nothing in this Policy is intended to imply a conflict of interest when the Person has no actual knowledge of the relationship or involvement which may create a conflict or to preclude any Person from conscientiously performing his or her duties on behalf of any constituent or affiliated member entities of the USASA that he or she may represent.

B. Improper Use of Assets and Record Keeping.

All Persons shall use their best efforts to prevent the loss, misuse or theft of and damage to property, records, funds or other assets belonging to the USASA over which such Persons have control or of which such Persons have possession. All such assets of the USASA, including its facilities, are to be used exclusively for conducting the activities contemplated by its Articles of Incorporation, Bylaws, and Policies in a manner consistent with and in furtherance of the USASA's tax-exempt purposes and its duties and authority as the National Governing Body of Soccer under the Ted Stevens Olympic and Amateur Sports Act. All such assets shall not otherwise be sold, given away, used personally or disposed of.

Proper use of the funds, resources, and opportunities of the USASA is a fiduciary responsibility. No Person shall make or accept any illegal or unethical payments (including bribes, kickbacks, graft, unauthorized commissions or unauthorized finder's fees) with respect to transactions involving the USASA or otherwise with respect to the assets, business, and affairs of the USASA.

Each USASA employee shall keep and maintain accurate and complete written records of any act or transaction which directly or indirectly bears upon the business or activities of the USASA. No such records shall:

- fail to record all transactions, whether proper or not;
- falsify any transaction to disguise any aspect of impropriety otherwise recorded correctly; or
- fail to identify the "qualitative" aspects that would reveal illegality or improper conduct.

C. Improper Use of Information

No Person shall use for his or her personal gain or disclose to any third party not legally entitled thereto any confidential information obtained through his or her association with the USASA. Confidential information includes spoken, written and computer-generated information or data relating to the USASA's business that is not publicly available and that is of a proprietary or sensitive nature.

D. Gifts, Gratuities, or Entertainment

No Person shall encourage or accept gifts, favors, or gratuities for themselves or their families, business associates, or friends from any outside individual, firm, or organization having, or seeking to have, a relationship with the USASA, except unsolicited gifts, favors, and gratuities having nominal value that are exchanged or given in the normal course of ethical business and social dealings. Notwithstanding the foregoing, if any Person should receive any such unsolicited gifts, favors, or gratuities with a value in excess of \$150, the same shall be construed to be a contribution to the USASA and shall be immediately turned over to an appropriate officer or staff member of the USASA as a contribution from the original source. A Person may keep unsolicited gifts, favors, or gratuities with a value of less than \$150, but for any such items with a value in excess of \$50, shall fully disclose the donor, purpose and amount of such gift, favor or gratuity on forms provided from time to time by the USASA.

No Person shall encourage or accept entertainment or other unusual personal benefits (loans, services, compensation, etc.) in excess of \$100 in any form for themselves, their families, business associates or friends, from any outside individual, firm, or organization having, or seeking to have, a relationship with the USASA. However, ordinary business courtesies such as payment for reasonable meal and entertainment costs are permitted when arising from the conduct of business connected with the activities of the USASA. A Person accepting such business courtesies with an individual value in excess of \$100 shall fully disclose the donor, purpose and amount of each such courtesy on forms provided from time to time by the USASA.

No Person shall give from the assets of the USASA any gifts, gratuities or entertainment to third parties unless approved by the Board of Directors or USASA Executive Director upon disclosure of the recipient, purpose and amount. However, ordinary business courtesies such as payment of reasonable meal costs are permitted without such approval when arising from the conduct of business connected with the activities of the USASA. Entertainment of third parties involving individual expenditures in excess of \$100 shall be fully disclosed as to the parties, purpose and amount on forms provided from time to time by the USASA.

Giving and receiving protocol gifts consistent with international sports custom and practice shall be exempt from the value (but not the disclosure) provisions hereof.

Accurate and complete records in accordance with Section B of this Policy shall be maintained with respect to any gift, favor, gratuity, business courtesy or entertainment described above and, where required by this Section B, properly disclosed as provided for in Section G. Disclosure.

E. Lobbying and Political Action

Except as may be appropriate and lawfully permitted in the furtherance of the USASA's tax-exempt purposes, neither the USASA, nor any Person on its behalf, shall allow its assets or resources to be used or shall make any direct or indirect payments to any federal, state or local political entities or individuals for the purpose of influencing or appearing to influence legislation or governmental decisions, or for the purpose of benefiting or appearing to benefit elected or appointed government officials. These prohibitions shall apply to, but not be limited in their application to, the following:

- aiding in the election or defeat of candidates for office;
- influencing any act or decision of an official in his or her official capacity, including failure to perform his official function;
- inducing an official to use his position to affect or influence any act or decision of another official or of any legislative or governmental body; and
- any other illegal or improper political purpose.

Any use of USASA assets or resources for purposes excepted (as provided above) from the foregoing prohibitions shall be accomplished only upon authorization by the USASA Board of Directors, and any such authorized uses shall in all events be accomplished in strict conformity with all applicable laws and regulations.

No Person shall succumb to domestic or foreign political pressures or other forces, such as direct or indirect payments, that are applied or made for the purpose of influencing USASA decisions, actions or inaction's in a manner other than in accordance with the USASA's authorization.

F. Accounting Records and Reports

All accounting of any transaction the subject of this policy shall conform to generally accepted accounting principles as well as to applicable laws and regulations. Persons involved in such accounting functions of the USASA shall be responsible for making and keeping books, records and accounts, which, in reasonable detail, accurately and fairly reflect such transactions and dispositions involving assets of the USASA.

All transaction the subject of this policy shall be so recorded, and no false, deceptive or off-book entries shall be made. All payments made in the course of transaction the subject of this policy, except for minor petty cash payments, should be made by check as authorized by the Board of Directors or its designee.

The USASA shall also maintain an internal accounting control system which assures that:

- transactions the subject of this policy are executed in accordance with management's general or specific authorizations;
- transactions the subject of this policy are recorded as necessary (a) to permit preparation of the USASA's financial statements in conformity with generally accepted accounting principles and any other criteria applicable to such statements, (b) to permit preparation and filing by the USASA of informational and tax returns in conformity with generally accepted tax accounting principles and applicable Internal Revenue Service requirements, and (c) to maintain accountability for the assets of the USASA.

The USASA's relationship with its auditors shall be such that there is a free and open access of accounting information available and necessary for job performance by both parties.

G. Disclosure

It is the responsibility of each Person, upon knowledge of any violation of the guidelines stated above or of any situation which could potentially be in violation of the guidelines, to report all relevant facts on the subject to the Board of Directors.

Any disclosure or notice required by this Policy shall be made by giving written notice to the USASA Executive Director.

Any disclosure pursuant to Section D. Gifts, Gratuities, or Entertainment shall be made within 30 days of the event giving rise to the required disclosure on a form provided by the USASA, or in the alternative by providing written notice to the USASA Executive Director.

In addition, at least annually, the USASA shall provide its Board of Directors, officers, staff, and other Persons with appropriate Conflicts of Interest Disclosure Statements, which must be completed and returned to the USASA in the time and manner provided for therein.

Conflicts of Interest Disclosure Statements and other notices shall be treated as confidential, with the information available only to the Board of Directors, officers, or senior staff, unless the Board of Directors deems disclosure to others necessary.

H. Conduct of Board of Directors

No contract or other transaction between the USASA and one or more of its directors, or between the USASA and any other corporation, partnership, association, or other organization in which one or more of the USASA's directors are directors or officers or have any financial interest, shall be void or voidable solely for that reason, or solely because such director (or directors) is present at or participates in the meeting at which the contract or transaction is authorized, approved, or ratified or solely because his, her, or their votes are counted for such purpose, if:

(a) the facts as to the director's relationship or interest and as to the contract or transaction are disclosed or are known to the USASA's Board of Directors, and the Board in good faith authorizes, approves, or ratifies the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors may constitute less than quorum; and

(b) the contract or transaction is fair as to the USASA as of the time it is so authorized, approved, or ratified by the USASA's Board of Directors.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the USASA's Board of Directors which authorizes, approves, or ratifies such contract or transaction.

No loans, other than through the purchase of bonds, debentures, or similar debt obligations of the type customarily sold in public offerings, or through ordinary deposit of funds in a bank, shall be made by the USASA to any of its directors and officers or to any other corporation, firm, association or other entity in which one or more of the USASA's directors and officers hold any financial interest, direct or indirect, unless such interest is disclosed and a waiver is provided. A loan made in violation of this paragraph shall be in violation of the duty to the USASA of the directors and officers who assent to or participate in the making of any such loan, and such directors and officers shall be personally liable to the USASA for the amount of such loan until the full repayment thereof; but the obligation of the borrower with respect to such loan shall not be affected thereby.

Each member of the USASA's Board of Directors shall abstain from voting on, approving or consenting to any contract or other transaction between the USASA and any other corporation, firm or association as to which such director, his or her spouse or his or her son or daughter serves as an officer, employee, director or trustee or has any financial interest, direct or indirect, unless such interest is disclosed and a waiver is provided. Nothing in this paragraph shall, however, necessarily preclude a director from participation in discussion or debate concerning any such contract or other transaction.

If, by application of the rule set forth above, a majority of the members of the USASA's Board of Directors must abstain from voting on, approving and consenting to the contract or other transaction with another corporation, firm or association, such contract or transaction may be referred for decision and authorization by a special committee of the USASA's Board of Directors. Such special committee shall be comprised of those members of the USASA's Board of Directors who are not required to abstain from voting on, approving or consenting to such contract or other transaction by application of said rule. A majority of the members of such special committee shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the members in attendance at a meeting of the special committee at which a quorum is present shall be regarded as the act of such special committee. The chairman of such special committee shall be the Chairman of the Board, if he is a member of such special committee; otherwise, the chairman of such special committee shall be as prescribed by a majority of the members of such special committee, and meetings may be called by the chairman of such special committee or any two of its members. Any such meetings pursuant to this paragraph may be conducted either in person or by teleconference.

ANY QUESTIONS, COMMENTS, OR CIRCUMSTANCES RELATING TO THE TERMS OF THIS POLICY OR ITS APPLICABILITY IN PARTICULAR SITUATIONS SHOULD BE DIRECTED TO:

Executive Director
United States Adult Soccer Association
7000 S. Harlem Ave
Bridgeview, IL 60455

Telephone: 708 496 6871

**UNITED STATES ADULT SOCCER ASSOCIATION
CONFLICTS OF INTEREST DISCLOSURE STATEMENT**

Please provide answers to each of the five questions below. Use additional paper if necessary.

1. If you or any members of your immediate family are an officer, partner, owner or employee of any entity which does business with the USASA (including any member organization, constituent, or affiliated member entities of the USASA), please list the name and address of the entity(ies), the nature of your relationship with it, and describe the dealings. If none, please state "none."

2. If you or any member of your immediate family holds an ownership interest in a closely-held company, or at least a 5% ownership interest in any public company, which does business with the USASA, please list the name and address of the entity(ies), the nature of your relationship with it, and describe the dealings. If none, please state "none."

3. If you have reason to believe that any of the entities with which you or immediate members of your family are affiliated may have business dealings with the USASA in the future, please list those entities and the nature of such dealings. If none, please state "none."

4. Do you serve as an officer of any other amateur sports organization that is recognized as a national governing body by the United States Olympic Committee? If so, which organization, and for what period of time?

5. If there is any relationship or interest involving you, your family, your company or any individuals associated with you, your family, or your company, or any matter not disclosed above which might be perceived to compromise your obligations to the USASA under the Policy concerning Conflicts of Interest and Business Ethics, or which may raise questions of a conflict or appearance of conflict of interest between your duty and loyalty to the USASA and your economic or political self-interest, please indicate here what that relationship, interest, or matter is. If none, please state "none."

Print Name

Title/Position with the USASA

Signature

Date