**CONFLICT OF INTEREST POLICY**

**OF**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SOCCER ASSOCIATION**

**ARTICLE 1 - PURPOSE**

The purpose of this conflict of interest policy is to protect the interests of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Soccer Association (“State Association abbreviation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, an officer, or a key employee of (State Association abbreviation) 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 social welfare organizations.

**ARTICLE 2 - DEFINITIONS**

**Section 2.01 Interested Persons**

Any director, principal officer, or key employee who has a direct or indirect financial interest, as defined below, is an interested person.

A key employee is an employee whose total annual compensation (including benefits) from state association abbreviation and its affiliates is more than $150,000 and who:

1. Has responsibilities or influence over (State Association abbreviation) similar to that of officers, directors, or trustees;
2. Manages a program that represents 10% or more of the activities, assets, income, or expenses of (State Association abbreviation); or
3. Has or shares authority to control 10% or more of (State Association abbreviation)’s capital expenditures, operating budget, or compensation for employees.

**Section 2.02 Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which (State Association abbreviation) has a transaction or arrangement,
2. A compensation arrangement with (State Association abbreviation) or with any entity or individual with which (State Association abbreviation) has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which (State Association abbreviation) 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 Section 3.02 below, a person who has a financial interest may have a conflict of interest only if the Board of Directors (the “Board”) or Board Committee decides that a conflict of interest exists.

**ARTICLE 3 - PROCEDURES**

**Section 3.01 Duty to Disclose**

In connection with any 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 or Board Committee considering the proposed transaction or arrangement.

**Section 3.02 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 Board or Board Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Board Committee members shall decide if a conflict of interest exists.

**Section 3.03 Procedures for Addressing the Conflict of Interest**

1. An interested person may make a presentation at the Board or Board 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.
2. The chairperson of the Board or Board Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence , the Board or Board Committee shall determine whether (State Association abbreviation) 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Board Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in (State Association abbreviation)’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.

**Section 3.04 Violations of the Conflict of Interest Policy**

1. If the Board or Board 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.
2. If, after hearing the interested person’s response and after making further investigation as warranted by the circumstances, the Board or Board Committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**ARTICLE 4 - RECORDS OF PROCEEDINGS**

The minutes of the Board and all Board Committees shall contain:

1. 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 Board’s or Board Committee’s decision as to whether a conflict of interest in fact existed.
2. 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 5 - COMPENSATION**

1. A voting member of the Board who receives compensation, directly or indirectly, from (State Association abbreviation) 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 (State Association abbreviation) for services is precluded from voting on matters pertaining to that member’s compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from (State Association abbreviation), either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**ARTICLE 6 - ANNUAL STATEMENTS**

Each director, principal officer, and key employee shall annually sign a statement which affirms such person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that (State Association abbreviation) is a (charitable) (social welfare) organization, 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.

**ARTICLE 7 - PERIODIC REVIEWS**

To ensure that (State Association abbreviation) operates in a manner consistent with social welfare 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm’s length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to (State Association abbreviation)’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further social welfare purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

**ARTICLE 8 - USE OF OUTSIDE EXPERTS**

When conducting the periodic review as provided for in Article 7, (State Association abbreviation) may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**ANNUAL AFFIRMATION AND DISCLOSURE STATEMENT**

Pursuant to \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Soccer Association’s (“State Association abbreviation”) Conflict of Interest Policy (the “Policy”), I acknowledge, attest, and represent the following:

1. I have received and read a copy of the Policy.
2. I understand and agree to comply with the Policy.
3. I understand that (State Association abbreviation) is a social welfare organization, 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.
4. Reported below, or by attached list, are:
5. All financial interests that could give rise to a conflict, such as transactions between (State Association abbreviation) and me, or (State Association abbreviation) and a family member;
6. My affiliations with any organization with which (State Association abbreviation) may have a financial relationship; and
7. Family members who are affiliated with any organization with which (State Association abbreviation) may have a financial relationship.

Signature Date

Printed Name Title

**Notes on the Use of this Conflict of Interest Template**

* There are 25 instances of the use of the abbreviation for the name of the State Association indicated by State Association abbreviation. Obviously these must be replaced with your actual abbreviation.
* There are three or four instances of the use of the full title of the State Association where you must place the title of your State Association.
* There are five instances in this template where the type of non-profit organization is mentioned. If your State Association is a social welfare organization as defined by the Internal Revenue Code, you do not have to make any change to these five instances. However, if you are a different type of non-profit organization you will need to make the appropriate change to these five instances.
* We recommend strongly that you have all your policy documents reviewed by an attorney with expertise in the non-profit laws of your particular state. Different states may have different laws or regulations that would affect what is written in your policies.