

SECTION 13 CONFLICT OF INTEREST
Nevada Youth Soccer Association
CONFLICT OF INTEREST POLICY

SECTION I
PURPOSE

The purpose of the conflict of interest policy is to protect the interests of Nevada Youths Soccer Association, a Nevada nonprofit corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or member of the Board of Directors 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 conflicts of interest applicable to nonprofit and charitable organizations.

SECTION II
DEFINITIONS

SECTION 1. Interested Person- Any member of the Board of Directors, principal officer, or member of a committee with powers delegated by the Board of Directors, who has a direct or indirect financial interest, as defined below, is an interested person.

SECTION 2. Financial Interest- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation 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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Board of Directors or appropriate committee decides that a conflict of interest exists.

SECTION III
PROCEDURES

SECTION 1. 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 of Directors and members of committees with powers delegated by the Board of Directors considering the proposed transaction or arrangement.

SECTION 2. 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 or she shall leave the Board of Directors meeting or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors members or committee members shall decide if a conflict of interest exists.

SECTION 3. Procedures for Addressing the Conflict of Interest

- (a) An interested person may make a presentation at the Board of Directors meeting or committee meeting, but after the presentation, he or she 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 alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Board of Directors shall determine whether the Corporation 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 Board of Directors shall determine by a majority vote of the disinterested members of the Board of Directors whether the transaction or arrangement is in NYSA'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 4. Violations of the Conflict of Interest Policy

- (a) If the Board of Directors 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 Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION IV
RECORDS OF PROCEEDINGS

The minutes of the Board of Directors and all committees with powers delegated by the Board of Directors shall contain:

- (a) 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 decision of the Board of Directors or committee 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.

SECTION V **COMPENSATION**

SECTION 1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from NYSA for services is precluded from voting on matters pertaining to that member's compensation.

SECTION 2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NYSA for services is precluded from voting on matters pertaining to that member's compensation.

SECTION 3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NYSA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

SECTION VI **ANNUAL STATEMENTS**

Each member of the Board of Directors, principal officer and member of a committee with powers delegated by the Board of Directors shall annually sign a statement, in the form attached hereto and entitled to Acknowledgement of Conflict of Interest Policy, which affirms such person:

- (a) Has received a copy of the conflict of interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and
- (d) Understands NYSA is charitable 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.

SECTION VII **PERIODIC REVIEWS**

To ensure NYSA 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 NYSA'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.

SECTION VIII **USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Signed and dated.

ACKNOWLEDGEMENT OF CONFLICT OF INTEREST POLICY

I, _____, acknowledge receipt of Nevada Youth Soccer Association's Conflict of Interest Policy. I have read the Policy and understand the Policy, and I agree to comply with the Policy as well as by the rules, regulations, and policies that may be established in connection with the Policy in the future. I also understand that NYSA is charitable in nature 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 as set forth in the Nonprofit Articles of Incorporation and the Bylaws of the Corporation.