



APPENDIX C

CONFLICT of INTEREST POLICY

ARTICLE I - PURPOSE

C1. The purpose of the Conflict of Interest Policy is to protect Bellevue Soccer Club's (BSC) tax-exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member or director of BSC 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 charitable organizations.

ARTICLE II - DEFINITIONS

C2.1. **Interested Person.** Any director, employee, independent contractor, volunteer, or active member with delegated powers that has a direct or indirect financial interest, as defined below.

C2.2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

C2.2.1. Ownership or investment interest in any entity with which BSC has a transaction or arrangement; or

C2.2.2. Compensation arrangement with BSC or with any entity or individual with which BSC has a transaction or arrangement; or

C2.2.3. Potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BSC is negotiating a transaction or arrangement.

C2.3. **Compensation.** Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

ARTICLE III - PROCEDURES

C3.1. **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 directors and members of committees with delegated powers considering the proposed transaction or arrangement.

C3.2. **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/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.



C3.3. Procedures for Addressing the Conflict of Interest:

C3.3.1. An interested person may make a presentation at the board or 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.

C3.3.2. The President or committee chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

C3.3.3. After exercising due diligence, the President or committee chair shall determine whether BSC 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.

C3.3.4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in BSC'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.

C3.4. Violations of the Conflicts of Interest Policy

C3.4.1. If the Board of Directors or committee 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.

C3.4.2. 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 failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV - RECORDS OF PROCEEDINGS

C4.1. The minutes of any meeting shall contain 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 committee's decision as to whether a conflict of interest in fact existed.

C4.2. The minutes of any meeting shall contain 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 V - COMPENSATION

C5.1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from BSC for services is precluded from voting on matters pertaining to that member's compensation.

C5.2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from BSC for services is precluded from voting on matters pertaining to that member's compensation.

C5.3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from BSC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI - ANNUAL STATEMENTS

C6.1. Each director and member of a committee with delegated powers shall annually sign a statement which affirms such person:

C6.1.1. Has received a copy of this Conflict of Interest Policy; and

C6.1.2. Has read and understands the policy; and

C6.1.3. Has agreed to comply with the policy; and

C6.1.4. Understands BSC is charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax-exempt purposes.

Article VII - PERIODIC REVIEWS

C7.1. To ensure BSC 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:

C7.1.1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

C7.1.2. Whether partnerships, joint ventures, and arrangements with management organizations conform to BSC'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.

Article VIII - USE OF OUTSIDE EXPERTS

C8. When conducting the periodic reviews as provided for in Article VII, BSC 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.



Bellevue Soccer Club Conflict of Interest Policy

I certify that I have received a copy of the conflict of interest policy and read and understand the policy. Furthermore, I agree to comply with the policy in order to protect BSC's charitable status and maintain its federal tax exemption.

Disclosure of Conflict(s): _____

Printed Name

Position

Signature

Date