

# ADDENDUM D

(As of August 1, 2011)



## Policy Concerning Conflict of Interest and Business Ethics

It is the policy of the National Soccer Coaches Association of America, a Pennsylvania not-for-profit corporation (“NSCAA”) to comply with the terms, spirit and intent of all applicable laws and regulations of government. Furthermore, the NSCAA will be run in a business-like and professional manner in such a way that public trust and confidence in the NSCAA are enhanced. The NSCAA shall expect and require all persons associated with it to conduct the NSCAA business with integrity and to maintain high ethical standards of personal and professional conduct with respect to their involvement in the affairs of the NSCAA and with respect to their business dealings and other relationships with the NSCAA.

The NSCAA expects the members of its Board of Directors, its officers, employees and staff, all members of its committees/councils which may be created from time to time by the NSCAA, and its paid or unpaid consultants, agents and representatives (the 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 cause embarrassment to the NSCAA, which might compromise the integrity and quality of decision-making necessary to the NSCAA effective governance, or which might jeopardize the NSCAA public reputation and support. In order to avoid harm to the goodwill and public image of the NSCAA and to ensure the expected high ethical standards of conduct and dealings relating to the business and affairs of the NSCAA, all Persons shall be expected to observe the guidelines described in this policy as listed. The policy is intended to supplement, but not replace, any applicable laws governing conflicts of interest applicable to non-profit corporations.

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:

1. Using a relationship with the NSCAA for private gain;
2. The granting by the NSCAA of unwarranted preferential treatment to any person or organization;
3. Misusing the NSCAA confidential information for financial or personal gain;
4. Losing the NSCAA independence or impartiality;
5. Adversely affecting public confidence in the integrity or the reputation of the NSCAA

Any deviation from the guidelines described in this policy must be reported to the NSCAA Board of Directors. 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 result in civil liability.

1. **Conflict of Interest Defined.** In this policy, a Person with a conflict of interest is referred to as an “Interested Person.” For purposes of this policy, the following circumstances shall be deemed to create a Conflict of Interest:

- a. A director, officer, employee or volunteer, including a board member (or family member of any of the foregoing), is a party to a contract or involved in a transaction with the NSCAA for goods or services.
- b. A director, officer, employee or volunteer (or family member of any of the foregoing) has a material financial interest in a transaction between the NSCAA and an entity in which the director, officer, employee or volunteer, or a family member of the foregoing, is a director, officer, agent, partner, associate, employee, trustee, personal representative, receiver, guardian, custodian or other legal representative.
- c. A director, officer, employee or volunteer (or a family member of the foregoing) is engaged in some capacity or has a material financial interest in a business or enterprise that competes with the NSCAA.

Other situations may create the *appearance of a conflict*, or present a *duality of interests* in connection with a Person who has influence over the activities or finances of the NSCAA. All such circumstances should be disclosed to the board or staff, as appropriate, and a decision made as to what course of action the NSCAA or individuals should take so that the best interests of the NSCAA are not compromised by the personal interests of stakeholders in the nonprofit.

2. **Gifts, Gratuities and Entertainment**. Accepting gifts, entertainment or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/entertainment/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of the NSCAA.
3. **Definitions.**
  - a. A “Conflict of Interest” is any circumstance described in Part 1 of this Policy.
  - b. An “Interested Person” is any person serving as an officer, employee or member of the Board of Directors of the NSCAA or a major donor to the NSCAA or anyone else who is in a position of control over the NSCAA who has a personal interest that is in conflict with the interests of the NSCAA.
  - c. A “Family Member” is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an interested person.
  - d. A “Material Financial Interest” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person’s or Family Member’s judgment with respect to transactions to which the entity is a party.
  - e. A “Contract” or “Transaction” is any agreement or relationship involving the sale or purchase of goods or services, the providing or receipt of a loan or grant, the establishment of any other type of financial relationship, or the exercise of control over another organization. The making of a gift to the NSCAA is not a Contract or Transaction.
4. **Procedures.**
  - a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting. If board members are aware that staff or other volunteers have a Conflict of Interest, relevant facts should be disclosed by the board member or by the interested person him/herself if invited to the board meeting as a guest for purposes of disclosure.

- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
  - c. A Person who has a Conflict of Interest shall not participate in or be permitted to hear the board or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
  - d. A Person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote.
  - e. The Person having a Conflict of Interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of the NSCAA has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
  - f. Interested Persons who are not members of the Board of Directors of the NSCAA, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of board or committee action, shall disclose to their supervisor, or the chair, or the chair's designee, any Conflict of Interest that such Interested Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Interested Person. The Interested Person shall refrain from any action that may affect the NSCAA participation in such Contract or Transaction.
  - g. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to his or her supervisor or the chair or the chair's designee, who shall determine whether full board discussion is warranted or whether there exists a Conflict of Interest that is subject to this policy.
5. **Confidentiality.** Each director, officer, employee and volunteer shall exercise care not to disclose confidential information acquired in connection with disclosures of Conflicts of Interest or potential conflicts which might be adverse to the interests of the NSCAA. Furthermore, directors, officers, employees and volunteers shall not disclose or use information relating to the business of the NSCAA for their personal profit or advantage or the personal profit or advantage of their Family Member(s).
6. **Review of Policy.**
- a. Each director, officer, employee and volunteer shall be provided with and asked to review a copy of this Policy and to acknowledge in writing that he or she has done so.
  - b. Annually each director, officer, employee and volunteer shall complete a disclosure form identifying any relationships, positions or circumstances in which he/she is involved that he/she believes could contribute to a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to another nonprofit organization or ownership of a business that might provide goods or services to the NSCAA. Any such information regarding the business interests of a director, office, employee or volunteer, or a Family Member thereof, shall be treated as confidential and shall generally be made available only to the chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
  - c. This Policy shall be reviewed annually by each member of the Board of Directors. Any changes to the Policy shall be communicated to all staff and volunteers.