



*Policy Document:* Conflict of Interest Policy  
*Approved by:* [Executive Board]  
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## **Article I: Purpose**

The purpose of the conflict of interest policy is to protect the USAFL's interest when it is considering transactions or arrangements that might benefit the private interest of an officer or director of the organization, or might result in a possible excess benefit transaction. This policy supplements applicable state and federal laws.

## **Article II: Definitions**

### **1. Interested Person**

Any Executive Board Member, Portfolio Board Member, director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

### **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 USAFL has a transaction or arrangement, b) a compensation arrangement with USAFL or with any entity or individual with which the USAFL has a transaction or arrangement, c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the USAFL 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 appropriate governing board or committee decides that a conflict of interest exists.

### **3. Related Party**

A related party is defined as a spouse, parent, child, sister, or brother.

## **Article III: Procedures**

### **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 governing board delegated powers considering the proposed transaction or arrangement.

### **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 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.

### **3. Procedure for Addressing a Conflict of Interest**

a. Once the interested person has left the meeting, the governing board or committee shall determine whether the USAFL 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. This can be done by appointing a disinterested person who can conduct due diligence, if appropriate.

b. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances, the remaining members of the governing board or committee shall determine by a majority vote whether the transaction or arrangement is in the USAFL's best interest. In conformity with this determination, the board will determine whether or not to enter into the transaction or arrangement.



#### 4. Violations of Conflict of Interest Policy

- a. If the governing board 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.
- b. If, after hearing the member's response and upon further investigation if necessary, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective or disciplinary action.

#### **Article IV: Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or who were otherwise 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 governing board's or committee's decision 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 proposed alternatives, and a record of any votes taken.

#### **Article V: Compensation**

- a. A voting member of the governing board who receives direct or indirect compensation from the USAFL for services is precluded from voting on matters pertaining to this compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the USAFL, is precluded from voting on matters pertaining to this compensation.

#### **Article VI: Periodic Reviews**

To ensure that the USAFL operates in a manner consistent with charitable purposes and does not engage in activities that jeopardize its tax-exempt status, periodic reviews shall be conducted at least annually. During this review:

- a. The entire conflict of interest policy will be reviewed in its entirety at a meeting, so that all members of the governing board are familiar with its contents.
- b. At this meeting, each member shall affirm that they have not missed any applicable disclosures over the past year.
- c. At this meeting, each member shall affirm that they understand the charitable nature of USAFL.
- d. Additionally, a review will be conducted annually to insure that compensation arrangements are reasonable, and could include survey information.
- e. Additionally, a review will be conducted annually to insure that all partnerships, joint ventures, and arrangements with management organizations conform with the USAFL's written policies, are properly recorded, reflect reasonable payments, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.
- f. Additionally, on an annual basis, each Board Member shall submit a disclosure list on which the Board Member identifies all Entities that may or have contracted in a financial arrangement with the USAFL and in which such Board Member or a Related Party is an employee, officer, director or consultant to or in which the Board Member or a Related Party has a Material Financial Interest. In addition, the Board Member shall annually sign a statement affirming that he/she has read this policy, agrees to comply with the Policy and acknowledges he/she is not aware of any violations or discloses any known violations.

#### **Article VII: Prohibition of Gifts**

No Board Member shall accept anything of value from an Entity that is or may reasonably be expected to do business with the USAFL, including entertainment, tickets, meals, clothing or other items, unless (i) such gift is of



nominal value, (ii) the recipient is not expected to take or refrain from taking any action in connection with the receipt of the gift, (iii) the gift is in keeping with good business ethics or refusing such gift would be contrary to the accepted norms under the circumstances.

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The following is a list of entities that the USAFL engages with:

AFL  
Coopers Beer  
Anchor Beer  
Fox Soccer Sports  
Burley Sekem  
Austin Sports Commission