

Clifton Park Youth Hockey Association, Inc.
Conflict of Interest Policy

1 Purpose and Scope

The Board of Directors of Clifton Park Youth Hockey Association, Inc. (“**CPYHA**” or **the “Association”**) recognizes that Board members will from time to time face potential conflicts of interest and situations in which the appearance of conflict of interest could be detrimental to the Association.

The purpose of this Conflict of Interest Policy is to protect the integrity and interests of the Association and the interests of its members as a whole when considering a transaction or other action that might benefit the financial interest or personal interest of a director of the Association.

The Board adopts this Policy to ensure fairness and objectivity in the conduct of business, and as a means of assuring that Board decisions are made in the interest of CPYHA as a whole. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

This policy applies to the Board and any committee acting with Board-delegated authority.

2 Definitions

2.1 *Matter before the Board.* A motion or other request for action by the Board or any committee with Board-delegated decisional authority is a “matter before the Board.”

2.2 *Interested Person.* Any director, officer or member of a committee with governing board delegated powers, who has a financial interest or a personal interest in a matter before the Board, is an “interested person.”

2.3 *Financial Interest.* A “financial interest” exists if the person has, directly or indirectly, through business, investment, or immediate family (i.e. mother, father, son, daughter, husband, wife, sister, brother):

- an existing or potential ownership or investment interest in any entity with which the Association has a transaction or arrangement and is the subject of Board action; or
- an existing or potential compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement and is the subject of Board action.

2.4 *Personal Interest.* A “personal interest” exists if:

- the person, or a member of the immediate family of the person, is the subject of Board action; or
- the person, or a member of the immediate family of the person, has a non-financial membership interest in an entity which is the subject of the Board action.

2.5 *Conflict of Interest.* Having a financial interest or a personal interest does not automatically create a conflict of interest. A conflict of interest exists when the Board or committee decides that a conflict of interest exists in accordance with the procedures below.

2.6 *Subject of the Board Action.* An individual or entity is the “subject of the Board action” when an action or matter contemplated by the Board concerns the specific individual or entity and his, her or its interaction with the Association, as opposed to an action taken by the Board that simply affects the individual. For example, a player is the subject of Board action when the action concerns the specific player’s behavior (i.e. discipline, expulsion, or movement between divisions). A player is not the subject of the Board action when the Board’s action merely affects the player (i.e. a decision whether to field two or three teams in a division, or a decision to remove a coach from the player’s team).

2.7 Throughout this policy, *director* should be read to include members of the Board and members of any committee with Board-delegated decisional authority, and *Board* should be read to include the Board and any committee with Board-delegated decisional authority.

2.7 *Examples.* The following examples illustrate the above definitions:

- The Board is considering a software purchase agreement with DBSolutions, Inc. John is a CPYHA Board member and the owner of DBSolutions, Inc. John is an interested person because he has a direct financial interest in the business entity that is the subject of the Board action.
- The Board is considering a disciplinary action against Jimmy, a 2d year Bantam. Jenny is a CPYHA Board member and the mother of Jimmy. Jenny is an interested person because she has a personal interest in the subject of the Board action.
- The Board is considering a major teamwear purchase from GreenbloodLogos. Ben is a CPYHA Board member and the brother of Bobby Greenblood, owner of GreenbloodLogos. Ben is an interested person because he has an indirect financial interest (through family) in the business entity that is the subject of the Board action.

- The Board is considering a disciplinary action against Jimmy, a second year Bantam. Jenny is a CPYHA Board member and the aunt of Jimmy. Jenny is not an interested person in this example because Jimmy is not in her immediate family.
- The Board is deciding whether to field two or three squirt teams. Bob and Tom are CPYHA Board members and are fathers of players in the squirt division. Bob and Tom are not interested persons because the division is the subject of the Board action, not the individual players.

3 Procedures

3.1 General Procedures

- 3.1.1 In connection with any actual or potential conflict of interest, an interested person has an affirmative duty to disclose the existence of the financial interest or personal interest. The interested person shall be given the opportunity to disclose all material facts relevant to the proposed transaction, arrangement or other action before the Board.
- 3.1.2 After disclosure of the financial or personal interest and all material facts, and after any discussion between the interested person and the Board, the interested person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists by a majority vote of those present. The temporary absenting of an interested person under this section shall not be considered in determining a continuing quorum.
- 3.1.3 In lieu of the procedure in 3.1.2, the interested person may recuse himself from the matter following the disclosure in 3.1.1. If another director objects to the recusal, the procedure in 3.1.2 shall be followed.

3.2 Procedures if a Conflict of Interest is Determined

- 3.2.1 If the Board determines that a personal conflict of interest exists, the interested person may make a statement and presentation to the Board. After the presentation, the interested person will then leave the room during the remainder of the discussion amongst the Board and subsequent Board vote on the possible transaction or action involving the potential conflict of interest.
- 3.2.2 If the Board determines that a financial conflict of interest exists, the President or committee chair shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or

arrangement. After exercising due diligence, the Board shall determine whether the Association can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest and for its own benefit and whether it is fair and reasonable to the Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

3.2.3 In no case shall a director vote, either in person or by proxy, on a matter in which he or she has a determined conflict of interest.

3.4 The disclosure of a financial or personal interest, the determination as to the existence of a conflict of interest, and the interested person's abstention from voting (if a conflict is found) shall all be reflected in the minutes of the meeting.

3.5 *Violations of the Conflicts of Interest Policy*

3.5.1 If the 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.

3.5.2 If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose a financial or personal interest, it shall take appropriate disciplinary and corrective action.

3.6 In any situation not specifically covered by the previous sections of this policy, each director shall consider carefully any potential conflict of his or her personal interests with the interests of the Association and refrain from any action which might be perceived as an actual or apparent conflict of interest.

3.7 Nothing in this policy precludes a director or committee member from abstaining from a vote for reasons that do not rise to a personal or financial interest. If a director has a personal or financial interest, however, the disclosure and determination procedures in Section 3 must be followed. Abstaining alone does not satisfy this policy when a personal or financial interest exists.

4 **Conduct of Directors**

4.1 Directors must represent unconflicted loyalty to the interest of the Association. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, business interests, personal interests, or paid or volunteer service to other organizations.

4.2 Directors and committee members must not use their positions to obtain benefits from the Association for themselves or immediate family members.

4.3 Directors are expected to commit themselves to ethical and professional conduct. This includes the proper use of authority and appropriate decorum.

5 Periodic Reviews

5.1 The Board shall review its conflict of interest policy from time to time to determine whether revisions are necessary to protect the interests of the Association.

5.2 In conducting the periodic reviews, the Board 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.