

CALIFORNIA YOUTH SOCCER ASSOCIATION, INC.
CONFLICTS OF INTEREST
POLICY

I. Introduction

The California Youth Soccer Association, Inc., a non-profit charitable corporation, develops, promotes, and administers the game of youth soccer in Northern California for the benefit and development of all youth. To ensure that the business of the California Youth Soccer Association, Inc. is conducted ethically, in good faith, and with honesty and fairness, the California Youth Soccer Association, Inc. adopts this policy on conflicts of interest.

II. Definitions

The following definitions apply to this policy:

1. "CYSA" means the California Youth Soccer Association, Inc.
2. "Person" means a director or officer of CYSA.
3. "Conflict of interest"—

(A) means any relationship, transaction, or arrangement that could influence, or be reasonably perceived as influencing, a Person's objectivity as a member of the Board of Directors or as an officer of CYSA in regard to matters involving CYSA that could result in any personal benefit, either directly or indirectly, financially or otherwise, to that Person, a member of that Person's family, a business partner or business associate of that Person, or a close personal associate of that Person; and

(B) includes actual conflicts of interests, potential conflicts of interest, and a perceived conflict of interest; a perceived conflict of interest exists if a person not associated with CYSA, and aware of the facts, might reasonably entertain a doubt that the Person would be impartial.

4. "Compensation" means any form of remuneration other than reimbursement for expenses actually incurred.
5. "Disinterested" means an absence of a conflict of interest with respect to a matter.
6. "Party" means any individual or entity of any type.

III. Requirements

A. General

1. Each Person shall observe the requirements referred to in this policy.
2. While it is impossible to list in this policy every circumstance which may suggest a conflict of interest, the following criteria shall be used when deciding whether a particular situation may give rise to a conflict. A Person shall avoid any action that might result in or create a perceived conflict of interest of—

- (1) using association with CYSA for private gain;
- (2) CYSA granting unwarranted preferential treatment to any party;
- (3) misusing CYSA's confidential information for financial or other personal gain of the Person or a party;
- (4) adversely affecting public confidence in the integrity or the reputation of CYSA; or

(5) endangering life, health, or safety.

3. Any deviation from this policy must be reported to the CYSA's Board of Directors, by giving notice pursuant to section D, Disclosure. Any exceptions to this policy must be approved by a two-thirds vote of the Board of Directors before consummating any part of any affected transaction.

B. Conflicts of Interest

1. Each Person with a conflict of interest must, before any participation in any matter concerning the policies, decisions, or operations of CYSA that involves the conflict of interest, do each of the following:

(A) fully disclose to CYSA's Board of Directors all material facts relating to the conflict of interest;

(B) excuse himself or herself from any formal or informal discussions relating to the matter involving the conflict with any individual that is to render a decision or vote on the matter;

(C) not participate or be present during deliberations or discussions relating to any matter involving the conflict of interest, except the Person may be allowed to be present only to make a statement about the potential benefits about the matter involving the Person's conflict and to answer questions regarding the conflict; and

(D) abstain from voting or seeking to influence the vote on any matter relating to the conflict of interest.

2. (a) Any decision in which one or more Persons had a conflict of interest at the time of that decision is void unless each of the following exists:

(1) each Person with a conflict of interest relating to the decision fully complied with the requirements of paragraph 1 of this section B; and

(2) there is a recorded vote of disinterested individuals on CYSA's Board of Directors entitled to vote that is sufficient to approve the decision in which any Person had a conflict of interest.

(b) Any decision referred to in subsection (a) of this section is valid and enforceable if the requirements of clause 1 is met prior to the decision.

C. Gifts, Gratuities, and Entertainment

1. No Person shall encourage or accept gifts, favors, or gratuities for himself or herself, or for the benefit of a party, from any party having, or seeking to have, a relationship with CYSA, except unsolicited gifts, favors, and gratuities having nominal value (as provided in this paragraph 1) that are exchanged or given in the normal course of ethical business and social dealings. Notwithstanding the foregoing, if any Person should receive any such unsolicited gifts, favors, or gratuities with a value in excess of \$150, the same shall be construed to be a contribution to CYSA and shall be immediately turned over to CYSA's Executive Director or Accounting Manager as a contribution from the original source. A Person may keep unsolicited gifts, favors, or gratuities with a value of less than \$150, but for any such items with a value in excess of \$50, shall fully disclose in writing, within 60 days of receiving such gift, favor, or gratuity, the donor, purpose, and amount of such gift, favor, or gratuity on forms provided by CYSA.

2. No Person shall encourage or accept entertainment or other personal benefits (loans, services, compensation, etc.) in excess of \$100 in any form for himself or herself, or for the benefit of a party, from any party having, or seeking to have, a relationship with CYSA. However, ordinary business courtesies such as payment for reasonable meal and entertainment costs are permitted when

arising from the conduct of business connected with the activities of CYSA. A Person accepting such business courtesies with an individual value in excess of \$100 shall fully disclose in writing, within 60 days of receiving such a courtesy, the donor, purpose, and amount of each such courtesy on forms provided by CYSA.

3. No Person shall give from the assets of CYSA any gifts, gratuities, or entertainment to a party unless approved by the Board of Directors or Executive Director upon disclosure of the recipient, purpose, and amount. However, ordinary business courtesies such as payment of reasonable meal costs are permitted without such approval when arising from the conduct of business connected with the activities of CYSA. Entertainment of a party involving individual expenditures in excess of \$100 shall be fully disclosed in writing as to each party, purpose, and amount on forms provided by CYSA.

4. Accurate and complete records in accordance with section B of this part III shall be maintained with respect to any gift, favor, gratuity, business courtesy, or entertainment described in paragraphs 1–3 of this section C and, where required by this section C, properly disclosed as provided for in section C of this part III.

5. A gift, favor, or gratuity received in compliance with this section C, including disclosure requirements, is not a conflict of interest.

D. Disclosure

1. Any disclosure or notice required by this policy shall be made by giving written notice to CYSA's Chairman.

2. At least annually, CYSA shall provide to each Person an appropriate Conflicts of Interest Disclosure Statement, which must be completed and returned to CYSA in the time and manner provided for in the Statement form.