

## **RESOLUTION NO. 10-2-8-1**

### **A RESOLUTION OF THE UTE CONFERENCE, INC ADOPTING A POLICY REGARDING CONFLICTS OF INTEREST**

**WHEREAS**, the Ute Conference, Inc (hereinafter “Conference”) is a not-for-profit corporation organized under the laws of the State of Utah; and

**WHEREAS**, among other things, the purpose of the Ute Conference is to provide the opportunity for youth players to enjoy and participate in the active competition of the game of football (See Ute Conference, By-Laws p.1); and

**WHEREAS**, the Conference is desirous to protect its tax-exempt status, the assets of the Conference, avoid conflicts of interest, and preserve and protect the good name and integrity of the Conference; and

**WHEREAS**, the Board of Directors of the Conference now desires to adopt, by written resolution, a conflicts of interest policy.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Ute Conference, Inc as follows:

#### **Article I** **Purpose**

The purpose of the conflict of interest policy is to protect the tax-exempt Conference’s interest when it is contemplating entering into a transaction or contract that might benefit the private interest of a Board Member or Director of the Conference or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable Utah or federal laws governing conflicts of interest applicable to nonprofit and charitable Conferences.

#### **Article II** **Definitions**

##### **1. Interested Person**

Any Executive Committee Member, Board Member, Officer, Commissioner, Board Member of a committee with governing board delegated powers or an employee, that 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 Conference has a transaction or an arrangement,
- b. A compensation arrangement with the Conference or with any entity or individual with which the Conference has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Conference 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.

### **Article III** **Procedures**

#### **1. Duty to Disclose**

- a. For any 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.
- b. Every year, each Executive Committee Member, Board Member, Officer, Commissioner, Board Member of a committee with governing board delegated powers and employee shall complete and submit a Declaration of Conflict of Interest Form to be reviewed at a Board meeting.
- c. It shall be the affirmative duty of each Interested Person to update the Declaration of Conflict of Interest Form as his or her circumstances change or as those of the Conference change.

#### **2. Determining Whether a Conflict of Interest Exists**

After all of the Declaration of Conflicts of Interest Forms are collected, with the assistance of Counsel, each shall be reviewed. If potential material conflicts exist, each matter shall be brought to the entire Board 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 material conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the governing 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.
- b. The Commissioner of the governing board or committee chair may, if appropriate, appoint counsel or a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee may determine whether the Conference should 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Conference'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.

### **4. Violations of the Conflicts 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 to the Commissioner or to Counsel.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Commissioner may take the matter to the Board. If the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Article IV** **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Conference for services is precluded from voting on matters pertaining to that member's compensation.

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

#### **Article V** **Annual Statements**

Each board member, principal Board Member and member of a committee with governing board delegated powers, or employ shall annually sign a statement that affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands the Conference is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

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

To ensure the Conference 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:

- a. Accounting practices and
- b. Whether partnerships, joint ventures, and arrangements with the Conference conform to the Conference'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 transactions.

#### **Article VII** **Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VI, the Conference may, but need not, use outside advisors such as auditors or counsel. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**IT IS FURTHER RESOLVED**, that all Board Members, Board Members, and employees of the Conference are hereby directed to take all actions necessary and appropriate to effectuate the provisions of this Resolution. This Resolution shall be effective upon passage and posting as required by law.

**APPROVED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2010.

**UTE CONFERENCE INCORPORATED**

By: \_\_\_\_\_  
MICHAEL MATICH, COMMISSIONER

Attest:

\_\_\_\_\_  
CORPORATE SECRETARY

