

# **SEDA Conflict of Interest Policy**

-June 2019-

## **Article I**

### **Purpose and Introduction**

Both the volunteers and the staff of the Southern Eventing and Dressage Association (“SEDA”) have an important responsibility to maintain a high standard of ethical behavior when conducting the affairs of SEDA. A primary purpose of the conflict of interest policy is to protect the interest of SEDA when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, committee member, or employee of SEDA.

Furthermore, because the appearance of impropriety can be just as damaging as actual impropriety, conduct, which appears to be improper, also is unacceptable. (See definitions below.) Accordingly, volunteers, and staff are required to comply with the following Code of Ethics when representing or participating in SEDA activities or events:

1. Conduct all dealings with honesty and fairness.
2. Respect the rights of all employees to fair treatment and equal opportunity, free from discrimination or harassment of any type.
3. Know, understand and comply with the laws, regulations, and codes of conduct governing the conduct of SEDA competitions and business.
4. Ensure that all transactions are handled honestly and recorded accurately.
5. Protect the confidentiality of information that belongs to SEDA, our donors, sponsors, suppliers, fellow volunteers, and staff.
6. Respect the confidentiality appropriate to issues of a sensitive nature.
7. Avoid conflicts of interest, both real and perceived.
8. Never use SEDA assets or information for personal gain.
9. Recognize that even the appearance of misconduct or impropriety can be very damaging to the reputation of SEDA and act accordingly.

**This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.**

## **Article II**

### **Definitions**

1. Interested Person  
Any 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. Family  
SEDA defines “family” for these purposes as follows: spouse, parent, child or spouse of a child, brother, sister, spouse of a brother or sister, a cohabiting companion, or any other individual with a significant familial or familial-like relationship.
3. Conflict of Interest  
SEDA defines a conflict of interest as any personal or financial (both direct and indirect) relationship including relationships of family members (see definition above) that could influence or be perceived to influence an interested person’s objectivity when representing or conducting business for, or on behalf of, SEDA. SEDA defines a substantial appearance of a conflict of interest as whenever others may reasonably infer from the circumstances that a conflict exists.
4. 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 SEDA has a transaction or arrangement,
  - B. For volunteers: A compensation arrangement with SEDA or with any entity or individual with which SEDA has a transaction or arrangement, or
  - C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SEDA is negotiating a transaction or arrangement.
  - D. Compensation includes direct and indirect remuneration as well as gifts or favors that aren’t insubstantial. A financial interest isn’t 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  
In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of his or her financial or other interest to SEDA 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.. Because the appearance of impropriety can be just as damaging as actual impropriety, conduct that appears to be improper must be disclosed so that SEDA may determine whether such substantial appearance of a conflict is deemed to be a prohibited conflict of interest.
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 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 conflict of in-

terest exists.

In the case of volunteers, the remaining Board or Committee members shall decide if a 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 chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - C. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
  - D. If a more advantageous transaction or arrangement isn't 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 Organization'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
  1. 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.
  2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, 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.
  3. Any person who violates or condones the violation of the Code of Ethics is subject to disciplinary measures, which may include termination of membership, employment, and expulsion from the Board, or Committee.

## **Article IV**

### **Records of Proceedings**

The minutes of the Board and all Committee meetings shall contain:

- a. the names of the persons who disclosed or otherwise were 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 Board's or Committee's decision as to whether a conflict of interest in fact existed, and

- 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 alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.