

**Cincinnati Bridge Association - Conflict of Interest Policy
(Unanimously Adopted: May 17, 2018)**

Article I - Purpose:

The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of the Cincinnati Bridge Association (CBA) or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II – Definitions:

1. Interested Person

Any Trustee, 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, investment¹, or immediate family²:

- a. An ownership or investment interest in any entity with which the CBA has a transaction or arrangement;
- b. A compensation arrangement with the CBA or with any entity or individual with which the CBA 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 CBA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

The following items are not considered to create a “financial interest” or a “financial gain” under this policy:

- Meals provided in conjunction with meetings and Unit events;

¹ For purposes of this policy “indirect” financial interest means a transaction with an organization with which you are associated as a trustee, director, officer, key employee or greater-than-5% owner. Ownership is measured by stock ownership – either voting power or value – of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a nonprofit organization or beneficial interest in a trust.

² “immediate family” means the family of an individual which only includes his or her parents, grandparents, spouse, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren and spouses of grandparents, parents, brothers, sisters, children, grandchildren and great-grandchildren and any person residing in the same household as the individual.

- Free entries to Unit sanctioned competitions;
- Souvenirs or commemorative gifts from meetings or competitions; or
- Small gifts of appreciation for service with an aggregate value of less than \$250 per year.

A financial interest is not necessarily an actual 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 of the financial interest and be given the opportunity to disclose all material facts to the Trustees 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, she/he 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 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, she/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chair of the governing board or committees 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 CBA 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 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 Trustees whether the transaction or arrangement is in the CBA’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.
- b. 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 and corrective 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 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 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 alternatives to the proposed transaction or arrangement, and record of any votes taken in connection with the proceedings.

Article V – Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the CBA 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 receives compensation, directly or indirectly, from the CBA for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the CBA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Annual Statements

Each Trustee, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the CBA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII – Periodic Reviews

The CBA Board shall periodically review:

- a. Whether compensation arrangements and benefits are reasonable.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the CBA'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 an excess benefit transaction.

Article VIII – Use of Outside Experts

When conducting the periodic reviews as provide for in Article VII, the CBA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Attachment A - Conflict of Interest Certification and Disclosure Form

Name: _____

Position (e.g., Trustee/employee/chair): _____

Date: _____

Certification By signing this form below, I certify that:

1. I have received a copy of the organization’s conflicts of interest policy;
2. I have read and understand the policy;
3. I agree to comply with the policy;
4. I agree to report promptly any changes in the information reported on this form, or any new information relevant to a conflict of interest; and
5. I understand that the organization is charitable and to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its exempt purposes and not engage in activities and transactions that provide impermissible benefits to individuals or entities

Conflict of Interest Disclosure

Please certify below that you either have nothing to report under the Organization’s conflicts of interest policy, or describe below anything you believe could give rise to an actual or possible conflict of interest under the policy:

____ I have nothing to report.

____ I have the following matters to report:

- a. ____ I am a Club Manager who has agreed to sublease space at the Cincinnati Bridge Center for the purpose of operating an independently sanctioned ACBL bridge game. I understand that under the Conflict of Interest policy, I am precluded from voting as a Trustee on CBA matters pertaining to fee agreements between Club Managers and the CBA.
- b. ____ I am currently an ACBL certified director who could be a director for the CBA game sanction. I understand that under the Conflict of Interest policy, I am precluded from voting as a Trustee on CBA matters pertaining to fee agreements for directors who direct at the CBA sanctioned game.
- c. ____ other (use separate sheet(s) as needed)

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signature: _____ Date: _____