

# **United Professional Horsemen's Association, Inc.**

## **Conflict of Interest Policy**

### **ARTICLE I PURPOSE**

The purpose of the conflict of interest policy is to protect the UPHA's interest when it is contemplating a transaction or arrangement that might benefit the private interest of a director, officer, committee member or employee of the UPHA or might result in a possible excess benefit transaction. The standard of behavior at the UPHA is that members of the Executive Board and Board of Directors, Committee Chairs, committee members and employees scrupulously avoid conflicts of interest between the interests of the UPHA on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest and/or conflicts of loyalty. The UPHA acknowledges that conflicts of loyalty sometimes arise and encourages disclosure of relationships and affiliations that might result in a future conflict of interest and/or loyalty, such as serving on other nonprofit boards or for-profit boards. Relationships and affiliations have potential for both conflicts of loyalty and collaborative benefits, and open discussion of such situations allows for informed and thoughtful choices. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

### **ARTICLE II DEFINITIONS**

SECTION 1. Conflict of interest: A conflict of interest can best be defined as a situation in which a person has a duty to more than one person or organization, but cannot do justice to the actual or potentially adverse interests of both parties. A conflict of interest may exist when the interests of a director, officer, committee member or employee could be seen as competing with the interests of the UPHA. A director, officer, committee member or employee may be considered to have a conflict of interest whenever they or their relative has an existing or potential financial or other material interest that impairs or might appear to impair their independence or objectivity in the discharge of their responsibilities to the UPHA. Additionally, personal and business relationships may cause "dual loyalties" that are unrelated to personal financial gain, but nonetheless may raise conflict of interest concerns.

SECTION 2. Interested Person: Any director, officer, committee member, or employee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

SECTION 3. Relatives: For purposes of this policy, "relatives" include the spouse, parent, step-parent, child, and step-child or cohabiting companion with which a UPHA director, officer, committee member, or employee has similarly close personal ties as well as any other member of their household.

SECTION 4. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or a relative:

- a. An ownership or investment interest in any entity with which the UPHA has a transaction or arrangement;
- b. A compensation arrangement with UPHA or with any entity or individual with which the UPHA 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 UPHA is in negotiation with respect to a transaction or arrangement.

SECTION 5. Compensation: Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

SECTION 6. A Financial Interest Not Necessarily a Conflict of Interest: 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.

SECTION 7. Dual or Competing Loyalties: A Person has a dual or competing loyalty if the person has, directly or indirectly, loyalty to two separate interests that implicate an actual, or potential, conflict of interest.

### **ARTICLE III ANNUAL STATEMENTS**

SECTION 1. All UPHA directors, officers, committee members and employees must complete a disclosure statement and an affirmation of compliance, upon first association with the UPHA, upon hire, and anytime a change in their circumstances may result in a potential conflict of interest, but at least annually.

SECTION 2. Each director, officer, committee member and employee 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 UPHA is a charitable organization and, in order to maintain its federal tax exemption, it must engage in activities which accomplish one or more of its tax-exempt purposes and not engage in activities and transactions that provide impermissible benefits to individuals or entities.

### **ARTICLE IV PROCEDURES FOR REVIEW**

SECTION 1. Duty to Disclose Potential Conflicts of Interest: All UPHA directors, officers, committee members, and employees shall complete a disclosure statement annually and have an ongoing duty to disclose any situation that involves personal, familial or business relationships that may give rise to a real, potential or perceived conflict of interest as soon as it is known.

SECTION 2. Disclosure Statements Reviewed as Follows: Completed disclosure statements will be submitted annually to the UPHA Executive Director. Any disclosure statement containing a disclosure will be provided to the Governance Committee for review. The Governance Committee will decide whether any disclosures (“yes” responses) represent actual, perceived or potential conflicts of interest that require consideration and decision by the Executive Board.

SECTION 3. Ongoing Duty: In addition to the duty to disclose described in Section 1 above, if an actual or potential conflict of interest arises subsequent to submitting a disclosure statement or between submissions, a UPHA director, officer, committee member or employee will promptly bring the situation to the attention of the President or Chair of the meeting.

SECTION 4. Determining Whether a Conflict of Interest Exists: After disclosure of the conflict and all material facts, and after any discussion with the interested person, he/she shall leave the 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.

SECTION 5. Procedures for Addressing the Conflict of Interest:

- a. Review: If it is determined that a conflict of interest or potential conflict of interest exists, the individual with the potential conflict, “interested party”, may make a presentation to the governing board or committee, but after the presentation, he/she shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest. If after the person has left the room the deliberating body has questions, the interested party may be requested to join the meeting for the sole purpose of answering those questions. Once the questions have been resolved, he/she should vacate again until the deliberations have been completed and the vote taken. Options include, but are not limited to:
  - i. Allowing the proposed matter to go forward upon finding that it is in the best interest of the UPHA;
  - ii. Prohibiting the proposed matter;

- iii. Approving modification of the proposed matter; or
- iv. Recommending an alternative arrangement that would not give rise to a conflict of interest.
- b. Vote: The remainder of the board or committee should conduct the deliberation on the matter at hand and, if appropriate, proceed to a vote. The interested party will not be counted for purposes of determining whether a quorum is present in the matter at issue.
- c. Minutes: The minutes of the meeting will reflect that the conflict disclosure was made to the board or committee, the vote taken and, when applicable, the abstention from voting and participation by the interested party.

## **ARTICLE V VIOLATIONS OF CONFLICT OF INTEREST POLICY**

SECTION 1. If the governing board or committee has reason to believe that any other director, officer, committee member or employee has failed to disclose an actual or potential conflict 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.

SECTION 2. If, after hearing the members' response and after making further investigation as warranted by the circumstances, the governing board determines the member has failed to disclose an actual or possible conflict of interest, it shall determine the corrective steps to be taken.

Policy Version: BOD approved November 8, 2020

Attachments to this Policy:  
Disclosure Statement  
Affirmation of Compliance

## Conflicts Of Interest Disclosure Statement

Please complete the questionnaire below, indicating any potential conflicts of interest. Submit your completed form to the UPHA Executive Director.

Note: When answering the following questions, please refer to the definition of Financial Interest and include yourself and those defined as a relative in Article II of the UPHA Conflict of Interest policy.

1. If you or any relative is an officer, partner, director, trustee, owner or employee of any person or any entity which does business with the UPHA, please list the name of the entity(ies) and the nature of your relationship with said person or entity(ies), and describe the dealings. If none, please state "none."

Ex: My spouse's business donates its services to UPHA.

---

---

2. If you or any relative is a member of a committee or board of directors of an equestrian association, please list the association, the position and if not you, your relationship to that committee or board member within the association. If none, please state "none."

Ex: I am on the ASHA Board.

---

---

3. Are you an employee or employer of another UPHA director or do you have any other business dealings or financial dealings with another UPHA director or any company or concern with which that director is involved? If so, please provide details of the relationship below. If none, please state "none."

Ex: I have a horse in training with another board member.

---

---

4. If there is any relationship or matter not disclosed above which might be perceived to compromise your obligations to the UPHA under its conflict of interest policy or which may raise questions of a conflict between your duty and loyalty to the UPHA, your loyalty to any other entity and/or your economic self-interest, please indicate the nature of that relationship below. If none, please state "none."

---

---

If at any time following the submission of this form I become aware of any potential or actual conflicts of interest, or if the information provided above becomes inaccurate or incomplete, I will promptly notify the UPHA Executive Board of Directors in writing.

I acknowledge and agree that my selection for service by the UPHA and the opportunities made available to me constitute good and valuable consideration for entering into this agreement, the receipt and sufficiency of which I hereby acknowledge.

---

Signature

---

Print Name

---

Date

Policy v. 11.8.2020

## Affirmation of Compliance

1. I have received and carefully read the Conflict of Interest Policy for directors, officers, committee members and employees of the UPHA and have considered the literal expression of the policy as well as its intent.
2. By signing this affirmation of compliance, I hereby affirm that I agree to comply with the UPHA Conflict of Interest Policy.
3. I understand that the purposes of this policy are to protect the integrity and decision-making process of the UPHA. It enables our constituencies to have confidence in our integrity, and to protect the integrity and reputations of committee members, employees, and board members. I further understand that the UPHA is a nonprofit organization and that in order to maintain its federal tax exemption it must engage in activities that accomplish one or more of its tax-exempt purposes and not engage in activities and transactions that provide impermissible benefits to individuals or entities.
4. Except as otherwise indicated in the Disclosure Statement, I hereby state that neither I nor any relative or business relationship has any conflict of interest, financial or otherwise, that may be seen as competing with the interests of the UPHA. Also, neither I nor any of my relatives or business relationships benefit from any action, policy or transaction made by the UPHA in a manner that has not been previously disclosed.
5. If any situation should arise in the future that I believe may involve me in a conflict of interest, I will promptly and fully disclose the circumstances as appropriate.
6. I further certify that the information set forth in the Disclosure Statement, if any, is true and correct to the best of my knowledge, information and belief.
7. I understand that my failure to disclose a conflict of interest as described herein may result in my removal as a member of the Executive Board or Board of Directors, a Committee Chair, a committee member or an employee.

I understand that this policy is meant to supplement good judgement, and I will respect its spirit as well as its specific provisions.

---

Signature

---

Printed Name

---

Date

Policy v.11.8.2020