

California Coaches ("CC") Conflict Of Interest Policy And Annual Statement For Directors And Officers

Article I - Purpose

1. The purpose of this conflict of interest policy is to provide clarity, integrity, and guidance for right action in situations when a transaction or arrangement might benefit the private interests of an officer or director of CC or might result in a possible excess benefit transaction.
2. The goal of this policy is to protect CC's interests in all transactions and arrangements.
3. 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.
4. This policy adds information needed to allow CC to assess director independence in order to answer questions on IRS Form 990, which is required for CC to maintain tax exemption.

Article II - Definitions

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.

Financial interest -- A person has a financial interest if the person has, directly or indirectly, either currently or in the future, through business, investment, or family:

- a. An ownership or investment interest in any entity with which CC has a transaction or arrangement,
- b. A compensation arrangement with CC or with any entity or individual with which CC has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CC is negotiating a transaction or arrangement.

Compensation -- direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest.

Independent Director -- A director shall be considered "independent" for the purposes of this policy if he or she is "independent" as defined in the instructions for the IRS 990 form or, until such definition is available, the director:

- a. Is not, and has not been for a period of at least three years, an employee of CC or an employee of any entity in which CC has a financial interest,
- b. Does not directly or indirectly have a significant business relationship with CC, which might affect independence in decision-making,
- c. Is not employed as an executive of another corporation where any of CC's executive officers or employees serve on that corporation's compensation committee; and
- d. Does not have an immediate family member who is an executive officer or employee of CC or who holds a position that has a significant financial relationship with CC.

Conflict of Interest -- Examples of Conflicts of Interest include but are not limited to:

- a. Partnerships, joint ventures, and arrangements which result in inurement, private benefit, or an excess benefit transaction to a member or member of the Board;
- b. Promoting or providing unequal opportunities to external or internal parties by virtue of one's position on the Board;
- c. Other similar types of situations in which the boundaries are unclear.

No Conflict of Interest -- No conflict of interest exists if the Director or member conducts the following activities:

- a. Advertises their business in accordance with the membership level to which they have subscribed;
- b. At the invitation of the Board, offers valuable information to members in an CC-sponsored capacity.

Reporting of Changes -- If at any time during the Director's term of service, the information in the conflict of interest statement changes materially, the director shall disclose such changes and revise their disclosure form.

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 Board.
2. **Recusal of Self** - Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. Determining Whether a Conflict of Interest Exists

- a. The interested person must voluntarily disclose the financial interest and all material facts to the Board.
- b. After any discussion with the Board, the interested person shall leave the meeting.
- c. The Board shall be allowed ample time in which the potential conflict of interest is discussed. This conversation shall end only with unanimous agreement that it is complete.
- d. In the absence of the interested person, the Board will vote to determine if a conflict of interest exists. A conflict of interest exists if the Board decides that a conflict of interest exists, in accordance with this policy.
- e. CC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

4. Procedures for Addressing the Conflict of Interest

- a. If a conflict of interest is determined to exist, the Chairperson of the Board shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, the Board shall determine whether CC 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.
- c. If a more advantageous transaction or arrangement is not reasonably possible under Circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in CC'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.

5. Violations of the Conflicts of Interest Policy

- a. If the Board or Executive 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 Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Certification

The signatures below verify that the foregoing is a true and correct copy of the Conflict of Interest Policy of California Coaches, duly adopted by the Board of Directors on July 26, 2020.

Kimberly Errigo, President

Dated

Christy Brandt, Secretary

Dated

**California Coaches ("SCC")
Director and Officer Annual Conflict of Interest Statement**

1. Name: _____ Date: _____

2. Position:

- a. Are you a voting Director? Yes () No ()
- b. Are you an Officer? Yes () No ()
- c. If you are an Officer, which Officer position do you hold?

3. I affirm the following:

I have received a copy of the Conflict of Interest Policy. _____ (initial)

I have read and understand the policy. _____ (initial)

I agree to comply with the policy. _____ (initial)

I understand that CC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes.
_____ (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with CC? Yes () No ()

i. If yes, please describe it: _____

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes () No ()

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with CC? Yes () No ()

i. If yes, please describe it, including when (approximately):

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes () No ()

5. Are you an independent director, as defined in the Conflict of Interest policy?

a. Yes () No ()

b. If you are not independent, why?

Date: _____

Signature of Director or Candidate: