

**OKLAHOMA DRESSAGE SOCIETY, INC.  
CODE OF ETHICS AND CONFLICT OF INTEREST POLICY**

*Revised Nov. 16, 2016*

**ARTICLE I**

**Purpose and Introduction**

The purpose of the conflict of interest policy is to protect the tax-exempt status of ODS's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Director of ODS 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.

Both the "Boards" of Directors and volunteers of the Oklahoma Dressage Society ("ODS") have an important responsibility to maintain a high standard of ethical behavior when conducting the affairs of ODS and it's Chapters. A primary purpose of the conflict of interest policy is to protect the interest of ODS and our 501c3 status when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, committee member or individual member of ODS.

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

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

This policy is intended to supplement but not replace any applicable State & Federal laws governing conflict of interest applicable to nonprofit and charitable corporations.

**ARTICLE II**

**Definitions**

Interested Person: Any director or committee member who has a direct or indirect financial, material or personal interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in which ODS is a part or has a close connection with, he / she is an interested person.

Family: ODS 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.

Conflict of Interest: ODS 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, ODS. ODS defines a substantial appearance of a conflict of interest as whenever others may reasonably infer from the circumstances that a conflict exists.

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 ODS has a transaction or arrangement, or
- b. for volunteers: a compensation arrangement with ODS or with any entity or individual with which ODS has a transaction or arrangement, or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ODS is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Inappropriate hospitality or gift giving: ODS defines inappropriate hospitality as the offering or receiving of accommodations, event tickets, entertainment, meals or similar personal benefits except as specifically provided for by applicable policies. Inappropriate hospitality or gift giving between individuals can also create a conflict of interest. Similarly, ODS prohibits the receipt or giving of personal gifts except for items of nominal value such as hats, pins, etc. unless specifically provided for by applicable policies.

## Article III

### Procedures

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 the appropriate ODS entity 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 the appropriate ODS entity may determine whether such substantial appearance of a conflict is deemed to be a prohibited conflict of interest.

Determining whether a conflict of interest exists: After disclosure of a financial or material interest, the interested person shall leave any board or committee meeting while the financial or material interest is discussed and voted upon. An interested party also must abstain from voting and from seeking to influence the vote on any matter related to the person or concern if the relationship is not approved. An individual must recuse himself/herself from participating in an ODS activity giving rise to a substantial appearance of a conflict of interest unless and until it is deemed by the appropriate ODS entity that no conflict exists. In the case of volunteers, the remaining board or committee members shall decide if a conflict of interest exists.

#### Procedures for addressing a financial conflict of interest:

- a. After exercising due diligence, the board or committee shall determine whether ODS can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- b. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors or members whether the transaction or arrangement is fair and reasonable to ODS and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

### Violations of the Code of Ethics or Conflict of Interest Policy:

- a. Any person who violates or condones the violation of the Code of Ethics is subject to disciplinary measures, which may include termination of membership, and expulsion from the board or committee.
- b. If the board or committee has reasonable cause to believe that a member has failed to disclose an actual or possible conflict of interest, the appropriate entity shall inform the member of the basis of such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- c. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, the appropriate entity shall take appropriate corrective action.

## Article IV

### Records of Proceedings

The minutes of the board and all committees 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 with the proceedings.

## Article V

### Compensation

Board members shall serve without compensation for their services as a Director. However, should a Director ever receive compensation for services rendered, the following must be met:

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

## Annual Statements

Each Director, and other designated committee member shall annually, at the time of the Annual General Meeting, sign a Disclosure and Affirmation Statement and a Conflict of Interest Disclosure Statement which affirms that such person:

- a. has received a copy of the code of ethics and conflict of interest policy,
- b. has read and understands the policy,
- c. has agreed to comply with the policy,
- d. understands that ODS is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax-exempt purposes, and
- e. has disclosed financial, business or personal relationships, positions or circumstances which may present an actual or perceived conflict of interest with ODS.

Other committee members are not required to complete a Disclosure and Affirmation Statement or a Conflict of Interest Disclosure Statement. However, all such individuals are required to read and otherwise comply with this Code of Ethics and Conflict of Interest policy, and to abstain from voting and from seeking to influence a vote or decision on any matter related to an actual or perceived conflict.

After acceptance of any volunteer position with ODS, compliance with this code is expected regardless of the timely filing of required affirmation or disclosure statements.

## Article VI

### Periodic Reviews

To ensure that ODS operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its tax-exempt status. The periodic review shall be conducted by the Treasurer and at a minimum, include the following subjects:

- a. Whether compensation arrangements are reasonable and is the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Club's written policies, are properly recorded, charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. Whether insurance coverage plans are deemed to be adequate and based on current information and / or asset lists.
- d. Whether these Policies and Procedures are adequate, enforceable and / or followed.
- e. Whether agreements with third party payers further ODS's charitable purposes and do not result in inurement or impermissible private benefit.

## Article VII

### Use of Outside Experts

When conducting the periodic reviews provided for in Article VI, ODS may but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

This Conflict of Interest Policy is adopted by Oklahoma Dressage Society Board of Directors this \_\_\_\_\_ day of \_\_\_\_\_.

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Roberta Clark, President

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Board Member