

ROCKY MOUNTAIN DRESSAGE SOCIETY CODE OF ETHICS AND CONFLICT OF INTEREST POLICY

ARTICLE I

PURPOSE AND INTRODUCTION

Both the volunteers and the staff of the Rocky Mountain Dressage Society (“RMDS” or the “Organization”) have an important responsibility to maintain a high standard of ethical behavior when conducting the affairs of the Organization. A primary purpose of the conflict of interest policy is to protect the interest of the “Organization” when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Board Member, Committee member, or employee of the Organization.

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 RMDS Code of Ethics when representing or participating in RMDS activities or events:

1. Conduct all dealings with honesty and fairness.
2. Respect the rights of all employees/volunteers/directors/board members/participants 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 RMDS competitions and business.
4. Ensure that all transactions are handled honestly and recorded accurately.
5. Protect the confidentiality of information that belongs to the Organization, our donors, sponsors, suppliers, fellow volunteers, board members 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 Organization assets or information for personal gain.
9. Recognize that even the appearance of misconduct or impropriety can be very damaging to the reputation of the Organization 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, voting delegate, Board or Committee member, or staff member, who has a direct or indirect financial, material or personal interest, as defined below, is an interested person.

2. FAMILY

RMDS 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

RMDS 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, RMDS. RMDS 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 the Organization has a transaction or arrangement, or
 - b. For staff: a compensation arrangement with any entity or individual with which the Organization has a transaction or arrangement, or
 - c. For volunteers: a compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - d. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
- Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

5. INAPPROPRIATE HOSPITALITY OR GIFT GIVING

RMDS defines inappropriate hospitality as the offering or receiving of accommodations, event tickets, entertainment, meals or other 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, RMDS 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**

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 the appropriate RMDS 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 RMDS entity 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 a financial or material interest, the interested person shall leave any Board, Committee or staff 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 a RMDS activity giving rise to a substantial appearance of a conflict of interest unless and until it is deemed by the appropriate RMDS entity that no conflict exists. In the case of volunteers, the remaining Board, Council or Committee members, or where appropriate, the Executive Board, shall decide if a conflict of interest exists. In the case of staff, the Executive Director shall determine if a conflict of interest exists.

This code serves as a framework for ethical conduct but does not cover every situation. If you are unclear about the requirements of this code, please consult the President or Executive Director of RMDS.

3. PROCEDURES FOR ADDRESSING A FINANCIAL CONFLICT OF INTEREST

- a. After exercising due diligence, the Board or Committee shall determine whether the Organization 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 in the Organizations' best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make

its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. 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, employment, and expulsion from the Board or Committee.
- b. If the Board or Committee or President has reasonable cause to believe that a member or employee has failed to disclose an actual or possible conflict of interest, the appropriate entity shall inform the member or employee of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- c. If, after hearing the response of the member or employee and making such further investigation as may be warranted in the circumstances, the Board or Committee or President determines that the member or employee has in fact failed to disclose an actual or possible conflict of interest, the appropriate entity shall take appropriate disciplinary and 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 therewith.

ARTICLE V

COMPENSATION COMMITTEES

A voting member of any Board or Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from RMDS for services is precluded from voting on matters pertaining to member's compensation.

ARTICLE VI

ANNUAL STATEMENTS

Each Executive Board member, Committee member, other Board-designated positions or Committee member, and staff who holds a director or liaison position, shall annually, at the time of the Board of Governors Meeting or before January 31st of that year, 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 RMDS is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of 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 RMDS.

After acceptance of any volunteer or staff position with the Organization, compliance with this code of ethics and conflict of interest policy is expected regardless of the timely filing of required affirmation or disclosure statements.

**ARTICLE VII
PERIODIC REVIEWS**

To ensure that RMDS operates in a manner consistent with its charitable purposes and that it does not engage in activities that would jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and the result of arm's length bargaining.
- b. Whether agreements with employees and third party payers further the Organizations charitable purposes and do not result in inurement or impermissible private benefit.

**ARTICLE VIII
USE OF OUTSIDE EXPERTS**

In conducting the periodic reviews provided for in Article VII, the Organization 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.