

BOARD MEMBER CONFLICT OF INTEREST STATEMENT

Louisville Skating Academy (LSA) is committed to ensuring that all board members are held to extremely high ethical standards. LSA honors and respects the trust that members and our community place in our organization. A conflict of interest—or even the appearance of a conflict of interest—could jeopardize this trust. Additionally, LSA must disclose and, in some cases, avoid conflicts of interest to maintain its not-for-profit status. When conflicts of interest do arise, they must be disclosed and addressed appropriately, as described in this policy.

Definition: Conflict of Interest

A conflict of interest is a situation in which a person's actual or perceived actions result in (or have the appearance of resulting in) personal (including familial), organizational, or professional gain. A conflict of interest is determined by the Board of Directors. Examples of a conflict of interest which could occur due to the following include, but are not limited to:

- Dual Roles: When a person is both a board member and in a position to make decisions that benefit him/her personally. For example:
 - A person who is an employee and a member of the Board of Directors.
 - A person who is a board member and hires family members to perform work or services for LSA.
- Direct or Indirect Financial Relationships: When a board member stands to benefit financially from his/her relationship with LSA. Sample relationships which may create opportunities for unusual gains include, but are not limited to:
 - An ownership or investment interest (or potential), or their immediate family members', in an entity in which LSA has a transaction or arrangement.
 - A person who is employed by or employs a member of the Board of Directors.
 - A person who is employed by or is an owner of a vendor organization who conducts business (or in negotiations) with LSA.
 - A person who has a business relationship with a competitor of LSA.
 - A person who is a creditor or debtor of a member of the Board of Directors.
 - A person who is a creditor or debtor of a vendor who conducts business with LSA.

General Guidelines

- It is in the interest of LSA, its Board members, and employees to strengthen trust and confidence in each other and to avoid or minimize situations that could be a conflict of interest.
- The appearance of a conflict of interest can cause embarrassment to the organization and can also jeopardize our credibility and our not-for-profit status.

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- Conflicts of interest may arise in the relations or potential relations with any of the following third parties, but is not limited to:
 - Persons and firms supplying goods and services to LSA.
 - Persons and firms from whom LSA leases property and equipment.
 - Persons and firms with whom LSA is dealing or planning to deal with in connection with the gift, purchase, or sale of real estate, securities, or other property.
 - Competing or affinity organizations.
 - Donors and others supporting LSA.
 - Agencies, organizations, and associations which affect the operations of LSA.
 - Family members, friends, and employees.

- After exercising due diligence in any potential or actual conflict of interest situation, LSA will explore with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not produce a conflict of interest. Relationships that do not create a potential or actual conflict of interest are desired over those that do.
 - Pursuant to Kentucky law and organization philosophy, a conflict of interest transaction is not voidable by the board of directors if:
 - The material facts of the transaction were disclosed and approved, ratified, or authorized by the board, or
 - The transaction was fair to the organization.

Board Member Responsibilities

- Board members are to avoid any conflict of interest (even the appearance of one). Unavoidable conflicts (an example would be a previous employment relationship) are to be reported; the board member is to not be present or involved in discussions or decisions that involve a conflict of interest.
- Employees are to maintain independence and objectivity with members, community, and organization. LSA expects board members to handle all situations with personal integrity.
- Board members are to report any known potential or real conflicts of interest to the board president. The board president is to report any potential or real conflicts of interest to the executive committee of the board. Reporting is to be done immediately. Dismissal from the board may occur if a known potential or actual conflict is not reported.