

UNITED STATES PONY CLUBS
POLICY STATEMENT

SUBJECT: USPC CONFLICT OF INTEREST AND CODE OF ETHICS

POLICY NO: 0710

EFFECTIVE DATE: 1/26/07

I. PHILOSOPHY:

In order to protect the interest of USPC from activities by its volunteers and professional staff, which may involve a conflict of interest or potential conflict of interest, the Board of Governors realizes that a policy on conflict of interest and a code of ethics is necessary.

II. POLICY STATEMENT:

The policy of the Board of Governors is that both the volunteers and the staff of the United States Pony Clubs, Inc. (USPC) have an important responsibility to maintain a high standard of ethical behavior when conducting the affairs of USPC.

III. AMPLIFYING INSTRUCTIONS AND GUIDELINES:

- A. A primary purpose of this policy is to protect the interest of USPC, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a governor, volunteer, council or committee member, or employee of USPC.
- B. 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 *USPC Code of Ethics* (See Attachment A).
- C. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

D. Definitions

1. *Interested Person*- Any member of the Board of Governors, Regional Supervisor (RS), District Commissioner (DC), council 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. *Conflict of Interest*- A conflict of interest may occur if an interest or activity influences or appears to influence the ability of an individual to exercise objectivity or impairs the individual's ability to perform his or her volunteer or employment responsibilities in the best interests of USPC.

3. *Financial Interest*: A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

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

The term compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest (see Due Diligence below).

E. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of a financial or personal interest and be given the opportunity to disclose all material facts to members of committees with governing board-delegated powers considering the proposed transaction or arrangement.

F. Due Diligence Procedures

After disclosure of a financial, personal or material interest, the interested person shall leave any meeting while the financial, personal 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. The remaining members shall decide if a conflict of interest exists. In the case of volunteers, the members, or where appropriate, the President, shall decide if a conflict of interest exists. In the case of staff, the Executive Director shall determine if a conflict of interest exists.

- G. Should an appearance of impropriety or actual conflicts of interest exist, appropriate actions must be taken, which will vary depending upon the particular facts.
- H. 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.

IV. DELEGATION OF AUTHORITY:

- A. The Executive Director shall have the responsibility for this policy with regard to all USPC employees, excepting his/her self.
- B. The President shall have the responsibility for this policy with regard to the Executive Director and all volunteers, and shall have oversight of this policy.

V. ENACTMENT:

Established: _____

Marg P. Weithard

Board President

____ Date: 1/26/07