

## **CONFLICT-OF-INTEREST POLICY**

Tellico Village Bocce Club (TVBC)

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Members of the POA Board of Directors Members and other of the Tellico Village Bocce Club (TVBC) of Directors are required to abide by the Conflict of Interest requirements of the Tennessee Nonprofit Corporation Act, as codified in T.C.A. § 48-58-302. The pertinent provisions of that code section are paraphrased below:

### **1. Purpose**

The purpose of this Conflict of Interest Policy is to protect the interests of TVBC when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a club leader or volunteer. This policy is intended to ensure transparency, integrity, and compliance with applicable nonprofit laws in Tennessee.

### **2. Scope**

This policy applies to all:

- Officers and board members
  - Committee chairs
  - Volunteers with decision-making authority
  - Any individual acting on behalf of the club
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### **Article 1 – Definition of conflict of interest**

Any transaction that involves a direct or indirect interest of a director or officer of the POA shall only be approved under the following conditions:

1. It must be fair at the time it was entered into; or
2. It must be approved by one of the three following methods:
  - a. The material facts of the transaction and the director's or officer's interest were disclosed or known to the TVBC Board of Directors or a committee consisting entirely of members of the TVBC Board of Directors and the TVBC Board of Directors or such committee authorized, approved, or ratified the transaction;
  - b. The material facts of the transaction and the director's or officer's interest were disclosed or known to the TVBC members and they authorized, approved, or ratified the transaction; or

c. The transaction is approved by the State Attorney General or by a court of record having equity jurisdiction in which the State Attorney General is joined as a party.

Examples include:

- a board member owns the company printing club shirts,
- the president's spouse caters a tournament,
- a member leasing/renting property to the club,
- a director profits from equipment purchases,
- or a board member receives paid coaching fees.
- receiving paid services from the Club,
- or awarding contracts to relatives or friends.

The policy does not prohibit these arrangements — it simply requires disclosure and fair handling.

#### **Article 2 — Duty to Disclose**

An Interested Person must disclose in writing the existence and nature of the conflict to the Board of Directors before discussion or voting occurs. The disclosure shall be entered into the meeting minutes.

#### **Article 3 Voting**

The Interested Person shall not vote on the matter.

#### **Article 4 — Fairness**

The Board should determine that any transaction is fair, reasonable, and in the Club's best interests. When practical, the Board should obtain competing bids or alternatives for significant purchases or contracts.

#### **Article 5 — Compensation**

No director or officer shall receive compensation for serving on the Board unless specifically approved by the Board and permitted under Club bylaws and applicable state and federal law.

Reasonable reimbursement for approved Club expenses is permitted.

#### **Article 6 — Violations of the Policy**

If the Board believes a person failed to disclose an actual or possible conflict, the Board shall:

- inform the person of the basis for the concern,
- allow the person an opportunity to explain,
- and determine whether corrective action is necessary.

Possible actions may include:

- voiding a transaction,
- removal from a vote,
- or disciplinary action consistent with the bylaws.

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### **Article 7 — Annual Statements**

Each director and officer shall annually sign a statement affirming that they:

- received a copy of this policy,
- read and understand the policy,
- agree to comply with the policy,
- and understand the Club's obligation to operate in a manner consistent with its nonprofit purposes.

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Adopted by the TVBC Board of Directors MMMMM DD, YYYY

I hereby attest that I have read and understand the above-stated conflict of interest policy for the TVBC Board of Directors and other officers or Volunteers. I further attest that I am not presently involved in any anticipated or existing transactions which may constitute a conflict of interest with the TVBC or alternatively that I have fully disclosed any such transactions in writing to the TVBC Board of Directors. I further acknowledge that I have a continuing duty to promptly inform the TVBC Board of Directors in writing regarding any potential conflict of interest transactions which may arise in the future.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name: \_\_\_\_\_