

Phoenix Rod & Gun Club (PRGC)

Conflict of Interest Policy¹ And Annual Statement

For Directors and Officers

Article I – Purpose

1. The purpose of the Board conflict of interest policy is to protect PRGS's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of PRGC or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II – Definitions

1. **Interested Person** – Any director, principal officer who has a direct or indirect financial interest, as defined below, is an interested person.
2. **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 PRGC has a transaction or arrangement.
 - b. A compensation arrangement with PRGC or with any entity or individual with which PRGC has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with any entity or individual with which PRGC is negotiating a transaction or arrangement.

Compensation included direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists, in accordance with this policy.

¹ This policy is based on the IRS model Conflict of Interest policy. It adds information needed to allow PRGC to assess director independence in order to answer questions on Form 990.

3. **Independent Director** – A director shall be considered “independent” for the purposes of this policy if he/she is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the director:
 - a. Is not and has not been for a period of at least three years, and employee of PRGC or any entity in which PRGC has a financial interest.
 - b. Does not directly or indirectly have a significant business relationship with PRGC which might affect independence in decision making.
 - c. Is not employed as an executive of another corporation where any of PRGC’s executive officers or employees serve on that corporation’s compensation committee; and
 - d. Does not have an immediate family member who is an executive officer or employee of PRGC or who holds a position that has a significant financial relationship with PRGC.

4. **Nonfinancial Interest** – Is a nonfinancial interest that might influence an officer’s or director’s participation or vote in an action of the officer’s or director’s duties:
 - a. The person’s relationship as an unpaid volunteer, officer, or director of an organization that may be affected, directly or indirectly, by action to be taken, nor not taken, by PRGC.
 - b. The person’s personal, political, religious, friendship, or personal relationships which may be affected by an action taken, or not taken, by PRGC.

Article III – Procedures

1. **Duty to Disclose** – In connection with any actual or possible conflict of interest, an interested person must disclose the existence of any financial interest and be given the opportunity to disclose all material fact to the Board of Directors.

2. **Disclosure of Nonfinancial Interests** – Directors shall disclose nonfinancial interests generally in their annual statement and specifically as individual interest arise. Nonfinancial interest is expected and shall not be reviewed unless a Board member (including the affected member) requests that the interest be reviewed under this Conflict of Interest Policy.

3. **Recusal of Self** – Any director may recuse himself/herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

4. Determining Whether a Conflict of Interest Exists – After disclosure of the financial interest, all material facts will be disclosed and reviewed, including discussion with the interested person. Upon request by a Board member, the material facts of a nonfinancial interest will be reviewed, including discussion with the interested person. Then the potentially conflicted Member shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

5. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and vote on, the transaction, arrangement, or other matter involving the possible conflict of interest.
- b. The Chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board shall determine whether PRGC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a financial conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a financial conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in PRGC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

6. Violations of the Conflict of Interest Policy

- a. If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV – Records of Proceedings

The minutes of the Board 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 decision as to whether a conflict of interest in fact existed.
- 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

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

Article VI – Annual Statements

1. Each director and principal officer shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy,
 - b. Has read and understands the policy,
 - c. Has agreed to comply with the policy, and
 - d. Understands PRGC is a Tax-Exempt Recreational Club and in order to maintain its federal tax exemption, must engage only in activities which accomplish its tax-exempt purposes.
2. Each voting member of the Board shall annually sign a statement which declares where such person is an independent director.
3. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.

4. Each director and officer shall complete his/her annual statement by the end of January of each calendar year. The Club Treasurer shall keep or cause to be kept a file containing the most recent annual statement from each director and officer and shall monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VII – Periodic Reviews

To ensure PRGC operates in a manner consistent with its Tax-Exempt Recreational Club status and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic review shall, at a minimum, include the following subject:

- a. Whether compensation arrangements and benefits are reasonable and the result of arm's length bargaining.
- b. Whether Club operations, partnerships, joint ventures, and arrangements with other organizations, if any, conform to PRGC policies and are properly recorded, reflect reasonable investment or payments for goods and services, further the Club's purposes and do not result in inurement or impermissible benefit or an excess benefit transaction.

Article VIII – Use of Outside Experts

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

**Phoenix Rod & Gun Club (PRGC)
Director and Officer
Conflict of Interest Statement**

1. Name: _____ Date: _____
2. Are you a member in Good Standing: ___Yes ___No
3. What organization or other membership affiliation do you represent?

4. Position:
Are you a voting Director? ___Yes ___No
Are you an officer? ___Yes ___No
If you are an officer, which position do you hold? _____
5. I affirm the following:

I have received a copy of PRGC's Conflict of Interest Policy.
I have read and understand the policy.
I agree to comply with the policy
I have reviewed the Board member job description.
I understand that PRGC is a Tax-Exempt Recreational Club and in order to maintain its tax-exempt status it must engage primarily in activities which accomplish its tax-exempt purposes.
6. Disclosures:
 - a. Do you have a financial interest (current or potential) including a compensation arrangement, as defined in the Conflict of Interest Policy with PRGC? ___Yes ___No
 - i. If yes, please describe it: _____
 - ii. If yes, has the financial interest been disclosed as provided in the Conflict of Interest Policy? ___Yes ___No
 - b. In the past, have you had a financial interest, including a compensation agreement, as defined in the Conflict of Interest Policy with PRGC? ___Yes ___No
7. Are you an independent director, as defined in the Conflict of Interest Policy? ___Yes ___No
 - a. If you are not independent, why? _____

Signature of Director

Date

Date of Review by Club Treasurer: _____