



Police Athletic League of Philadelphia Conflict of Interest Policy

Article I: Purpose

The purpose of a conflict of interest policy is to protect the interests of the Police Athletic League of Philadelphia (PAL) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key employee of PAL or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

The officers, board and key employees have the responsibility of administering the affairs of PAL honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of PAL. Those persons shall exercise the utmost good faith in all transactions in their duties, and they shall not use their positions with PAL or knowledge gained therefrom for their personal benefit.

Article II: Definitions

1. Interested Person

Any officer, director, member of a committee with governing board delegated powers, or key employee 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 he or she has, directly or indirectly, through business, investment, or family:

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

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. A person with a financial interest may have a conflict of interest only if the appropriate governing board or committee determines that one exists.

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 the financial interest and be given the opportunity to disclose all material facts to a committee with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon.

3. Procedures for Addressing the Conflict of Interest

- a) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b) After exercising due diligence, the governing board or committee shall determine whether PAL can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- c) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote whether the transaction or arrangement is in PAL'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.

4. Violations of the Conflicts of Interest Policy

- a) If the governing board or committee has reasonable cause to believe an officer, director or key employee failed to disclose actual or possible conflicts of interest, it shall inform said individual of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

Article IV: Records of Proceedings

The minutes of the governing board or committee 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 committee'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 governing board who receives compensation, directly or indirectly, from PAL for services is precluded from voting on matters pertaining to that member's compensation.
- b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from PAL for services is precluded from voting on matters pertaining to that member's compensation.
- c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from PAL, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

Each officer, director, member of a committee with governing board delegated powers and key employees shall annually sign a statement which affirms such person:

- a) Has received a copy of the conflicts of interest policy,
- b) Has read and understands the policy,
- c) Has agreed to comply with the policy, and
- d) Understands PAL is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII: Periodic Reviews

To ensure PAL operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b) Whether partnerships, joint ventures, and arrangements with management organizations conform to PAL's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Police Athletic League of Philadelphia
Conflict of Interest Disclosure Statement

I have read and understand the Conflict of Interest Policy of the Police Athletic League of Philadelphia (PAL). To the best of my knowledge, except as disclosed in the attached statement, I do not have a Financial Interest, as defined in the policy, requiring disclosure under the Policy.

Further, to the best of my knowledge, except as disclosed, I do not intend to acquire a Financial Interest, as defined in the Policy.

(A) No Conflict of Interest_____

(B) Except as described in the attached statement_____

If any situation should arise in the future which I think may involve me in a Conflict of Interest, I will promptly disclose the Conflict of Interest in writing to the Chairperson of the Board or the appropriate committee.

Date: _____

Signature: _____

Print Name: _____

Please return this disclosure form in the enclosed envelope, or to:

Pat Winner
Police Athletic League of Philadelphia
3068 Belgrade Street
Philadelphia, PA 19134