PURPOSE

National Recreation and Park Association, Incorporated ("NRPA") has adopted this Conflict of Interest Policy to ensure that its directors, officers and key employees act in NRPA's best interest, without favor or preference to third parties based on personal or business considerations, and to comply with applicable legal requirements. A fundamental principle of ethics is that any person acting or assigned as an agent who exercises discretionary authority on behalf of NRPA may not use this authority for his or her own benefit.

OVERVIEW

1. The Finance Committee shall oversee the adoption, implementation of, and compliance with this Conflict of Interest Policy. Since it is not possible to write a policy that covers all potential conflicts, Board members, officers and employees are expected to use common sense and be alert for and avoid situations which might be construed as conflicts of interest. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

2. All Directors must be considered Independent Directors (as such term is defined below).

3. No individual shall accept from any person, directly or indirectly, whether by himself or herself or through a Relative or Related Party, any gift, favor, service, employment or offer of employment, or any other thing of value which he or she knows or has reason to believe is made or offered to him or her with the intent to influence him or her in the performance of his or her NRPA duties, or to accept or direct payment to himself or herself in the conduct of NRPA business, or to promote one’s product or service or disparage the products or services of others while speaking for NRPA.

4. Directors are not eligible for staff positions with NRPA. If a Board member wishes to apply for employment with NRPA, then he/she must first resign his position on the Board.

5. Important definitions are set forth below and defined terms are used throughout this Policy.

I. DEFINITIONS

1. "Conflict of Interest" means an association, including a financial or personal association, that has the potential to bias or have the appearance of biasing a
person’s decisions in matters related to NRPA, and includes a Related Party Transaction.

2. “Independent Director” means a director who: (i) is not, and has not been within the last three years, an employee of NRPA or an affiliate of NRPA, and does not have a Relative who is, or has been within the last three years, a Key Employee of NRPA or an affiliate of NRPA; (ii) has not received, and does not have a Relative who has received, in any of the last three fiscal years, more than ten thousand dollars ($10,000) in direct compensation from NRPA or an affiliate of NRPA (other than reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director); and (iii) is not a current employee of or does not have a substantial financial interest in, and does not have a Relative who is a current officer of or has a substantial financial interest in, any entity that has made payments to, or received payments from, NRPA or an affiliate of NRPA for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of twenty-five thousand dollars ($25,000) or two percent (2%) of such entity’s consolidated gross revenues. For purposes of this definition, “payment” does not include charitable contributions.

3. An “affiliate” of NRPA means any entity controlled by, in control of, or under common control with NRPA.

4. “Relative” of an individual means his or her (i) spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grand-children; or (ii) domestic partner as defined in section twenty-nine hundred ninety-four-a of the New York public health law.

5. “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of NRPA, as referenced in 26 U.S.C. § 4958(f)(1)(a) and further specified in 26 CFR § 53.4958-3(c), (d) and (e), or succeeding provisions.

6. “Related Party” means (i) any director, officer or key employee of NRPA or any affiliate of NRPA; (ii) any Relative of any director, officer or key employee of NRPA or any affiliate of NRPA; or (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

7. “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest, and in which NRPA or any affiliate of NRPA is a participant.
8. “Person” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, trust, association, organization, union, or other entity or governmental body.

II. CONFLICT OF INTEREST POLICY AND PROCEDURES

1. Prior to the initial election of any director or officer, and annually thereafter, each director, officer, and key employee shall complete, sign and submit to the Secretary of NRPA a written statement, attached hereto as Appendix A, identifying, to the best of the individual's knowledge: (i) any entity of which such director or officer is an officer, director, director, member, owner (either as a sole proprietor or a partner), or employee and with which NRPA has a relationship; (ii) any transaction in which NRPA is a participant and in which the director or officer might have a conflicting interest; and (iii) any other Conflict of Interest. In addition, the annual written statement shall affirm each 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 NRPA is a 501(c)(3) 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.

1.1 Each voting member of the Board shall annually sign a statement which declares whether such a person is an Independent Director.

1.2 If at any time during the year, the information in the annual statement changes materially, the person shall disclose such changes and revise the annual disclosure form.

1.3 The Secretary shall annually provide copies of all completed statements to the Chair of the Finance Committee. The Finance Committee shall regularly and consistently monitor and enforce compliance with this Policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

2. Conflicts of Interest, and circumstances that could give rise thereto, should be disclosed to the Finance Committee promptly upon becoming aware thereof.

3. The Finance Committee shall take appropriate action to address Conflicts of Interest in accordance with this Policy.

4. The person with the Conflict of Interest shall not be present at or participate in Board or committee deliberation or vote on the matter giving rise to such
Conflict of Interest. The person with the Conflict of Interest shall not attempt to influence improperly the deliberation or voting on the matter giving rise to such Conflict of Interest.

5. The existence and resolution of the Conflict of Interest shall be documented in NRPA’s records, including in the minutes of any meeting at which the Conflict of Interest was discussed or voted upon. The minutes should include at a minimum: the names of the persons who disclosed or otherwise were found to have a Conflict of Interest, a record of any votes taken in connection with the proceedings, and the governing board’s or committee’s decision as to whether a Conflict of Interest in fact existed.

III. RELATED PARTY TRANSACTIONS AND COMPENSATION

1. NRPA shall not enter into any Related Party Transaction (as defined above) unless the transaction is determined by the Board to be fair, reasonable and in NRPA’s best interest at the time of such determination. Any director, officer or key employee who has an interest in a Related Party Transaction shall disclose in good faith to the Board, or an authorized committee thereof, the material facts concerning such interest.

2. The Board, or authorized committee thereof, must consider alternative transactions to the extent available prior to entering any transaction in which a Related Party has a substantial financial interest and contemporaneously document the consideration of the same.

3. No Related Party may participate in deliberations or voting relating to matters set forth in this section; provided that nothing in this section shall prohibit the Board or authorized committee from requesting that a Related Party present information concerning a Related Party Transaction at a Board or committee meeting prior to the commencement of deliberations or voting relating thereto.

4. The Chair of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board shall determine whether NRPA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Related Party Transaction. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in NRPA’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.
5. The existence and resolution of a Related Party Transaction shall be documented in NRPA’s records, including in the minutes of any meeting at which the Related Party Transaction was discussed or voted upon. The minutes should include at a minimum: 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.

6. NRPA may pay compensation in a reasonable amount to directors, officers, and employees for services rendered, as permitted by the New York Not-for-Profit Corporation Law and applicable federal law. No person who may benefit from such compensation may be present at or otherwise participate in any Board or committee deliberation or vote concerning such person’s compensation; provided that nothing in this section shall prohibit the Board or authorized committee from requesting that a person who may benefit from such compensation present information as background or answer questions at a committee or Board meeting prior to the commencement of deliberations or voting relating thereto.

IV. PERIODIC REVIEWS

To ensure NRPA operates in a manner consistent with its exempt 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 transactions and arrangements conform to NRPA’s written policies, are properly recorded, and reflect reasonable investment or payments for goods and services, further exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
1. Name: ______________________________

2. Position:
   Are you a voting Director?  Yes  No
   Are you an Officer?  Yes  No
   If you are an Officer, which Officer position do you hold: ____________________________
   Are you a Key Employee?  Yes  No
   If you are a Key Employee, what position do you hold: ____________________________

3. I affirm the following:

   I have received a copy of the NRPA Conflict of Interest Policy. _________ (initial)
   I have read and understand the Policy. _________ (initial)
   I agree to comply with the Policy. _________ (initial)
   I understand that NRPA is a non-profit 501(c)(3) 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. _________ (initial)

4. Disclosures:

   (a) To the best of your knowledge, please list any entity of which you are a director, officer,
   member, owner (either as a sole proprietor or a partner), or employee and with which NRPA has
   a relationship and any transaction in which NRPA is a participant.

   __________________________________________________________________________
   __________________________________________________________________________

   (b) Please describe any other relationships or matters that could give rise to a Conflict of
   Interest (as defined in the Policy).

   __________________________________________________________________________
   __________________________________________________________________________

5. Are you an Independent Director, as defined in the Policy?  Yes  No
   If you are not an Independent Director, why not?

   __________________________________________________________________________
   __________________________________________________________________________

I have the read the Policy attached hereto and attest that the disclosures above are true and
complete to the best of my knowledge.

Signature: _______________________________  Date: _______________________________
NOTE: This form is to be signed by each Director, Officer, and Key Employee upon initial election or appointment and at the end of every calendar year and is to be submitted to the NRPA Secretary.