

Bylaws and Policies
USYS Workshop
March 2009

All corporations have at least two basic documents: (1) Articles of Incorporation and (2) bylaws. Generally, the Articles of Incorporation state the name of the corporation, what type of corporation it is, and its purpose, and are filed with state government as a means of creating the corporation. The corporation's bylaws provide the basic principles that control how the organization is governed and operates, and often set forth fundamental rights and obligations of the organization, its directors and officers, and members. The two documents together define what the corporation is, what it does, and how it is governed.

The focus of this workshop is on corporate bylaws. The reason for this is that the laws of many states now require only the basics to be stated in the Articles of Incorporation with the more detailed and substantive provisions for corporate governance being set forth in the bylaws. Attached are two documents. The first is a syllabus or outline describing fundamental considerations for articles of incorporation and bylaws. The second is a set of sample bylaws that may be helpful as a tool for those considering reviewing or revising their bylaws. The discussion at the workshop itself will focus on provisions of major interest or consequence, such as conflicts of interest.

A word of caution is required. It is neither possible nor desirable to try to provide a true set of "model" bylaws that can just be used or used with relatively minor modifications. There are two reasons for this. First, the laws of each state concerning corporations may vary, and the variations from state to state may be very significant. For this reason, it is vitally important to obtain the review and advice of attorneys licensed to practice law in the state of incorporation and where the corporation operates. Second, there are a large number of options regarding whether provisions are included in articles and bylaws as well as basic decisions to be made as to what each provision says. For example, US Youth Soccer bylaws 212 and 213 and US Soccer bylaws 212 and 213 contain a number of requirements, not all of which are included in the accompanying outline or sample bylaws, that a corporation is required to have to be eligible for membership in those organizations. The decisions as to what is legally required and the exercise of judgment of what is desired must be made by those establishing a corporation or amending the provisions of articles or bylaws in light of the advice of legal counsel. In other words, there is no substitute for proper legal advice in what is a legally intensive subject. For these same reasons, nothing in connection with this workshop is intended to provide specific legal advice or substitute in any way for the advice of counsel.

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I. Articles of Incorporation

A. Mandatory provisions:

1. Your state's laws will define what must be in the Articles of Incorporation. Common requirements include:
 - a. The corporation's name
 - b. The corporation's principal address
 - c. The name and address of a person who is the corporation's agent for service of process.
 - d. The specific type of corporation, for example, public benefit non profit corporation.
 - e. For nonprofit public benefit corporations, a description of the corporate purposes.
2. There may also be special requirements for a corporation that seeks tax-exempt status. These include:
 - a. An appropriate educational or charitable purpose.
 1. Public benefit corporations are often required to have a more specific statement of purpose than other types of corporations
 - b. Dedication of assets on dissolution to a similarly exempt organization.
 - c. A restriction against political campaigning or excessive lobbying.
 - d. A requirement that no part of the earnings will benefit a member or shareholder.

B. Permissive or optional provisions:

1. There are a very large number of provisions that may be made part of the Articles of Incorporation. These could cover such matters as amendments to the bylaws, qualifications of directors and officers, etc.
2. It is usually not a good idea to put too many optional or permissive provisions in the Articles of Incorporation because:
 - a. The Articles of Incorporation may be harder to change due to the formal requirements usually involving filings with the appropriate department of the state government
 - b. There may be a difference in what state law permits as to the voting requirements for making amendments

1. Some state laws allow bylaws to be amended by majority vote while at the same time requiring two-thirds vote to amend Articles of Incorporation.

II. Bylaws

A. General Purpose:

1. Sets forth rules for governing and operating the corporation.
 - a. Relationship to state laws:
 1. Include provisions required by state law
 - a. for example, time, place, and manner of meetings, board must have a chairman or president, a secretary, and a chief financial officer, etc.
 2. To change provisions controlled by state law in the absence of bylaw provisions.
 - a. Common for statutes to contain a “default” provision that says something like: “In the absence of a provision in the articles or bylaws,” the term of a director shall be one year, a quorum will consist of 50 percent of the members, etc.
 - b. Sets forth procedures for governance as well as creates or limits rights and obligations.

B. Bylaw provisions:

1. General provisions:
 - a. Title: “Bylaws of the Atlantis Youth Soccer Association, Inc., a Nonprofit Public Benefit Corporation.”
 - b. Name: “The name of this corporation is the Atlantis Youth Soccer Association, Inc.”
 - c. Purpose
Principal office of the corporation.
 - d. structure
 1. Centralized or diversified by regions, types of activities, etc.
 - e. Affiliations of corporation
 - f. dedication of assets
2. Membership
 - a. There is any number of possible ways to define membership in a corporation, such as by associations, leagues, parents, or other groups. Membership may also be divided into classes.

- b. Eligibility criteria for membership
- c. Transferability of membership
- d. Rights
 - 1. Voting
 - 2. Permanent or renewable
 - 3. Fees
- e. Definition of good standing
- f. Termination
- g. Suspension
- h. Procedure for suspension or termination

3. General Meetings

- a. Annual General Meeting
 - 1. Requirement for holding
 - 2. Place and time
 - 3. Bylaw amendments
 - a. Procedures for proposing
 - 4. Order of business
 - 5. Subjects of voting and voting requirements
 - a. Effective dates
- b. Special meetings
 - 1. Authority to call
 - 2. Agenda
 - a. Common for special meetings to be limited to specific subjects
- c. Notice
 - 1. General notice provision
 - a. Record dates for notice and voting
 - b. To members
 - c. Statement of business to be conducted, such as
 - 1. Proposed bylaw amendments
 - 2. Dissolution and distribution of assets
 - d. Manner of giving
 - 1. Time for (no less than nor no more than specified number of days)
 - 2. How given
 - a. Mail
 - b. Electronic?
- d. Quorum
 - 1. If other than majority may be special legal requirements
 - 2. Loss of quorum provision

- e. Voting
 - 1. Who gets to vote
 - 2. Allocation of votes
 - a. One vote per member or each member has number of votes based on, for example, number of players
 - 3. Waiver of notice and consents
 - 4. Means
 - a. Written ballots
 - b. Absentee
 - c. Proxies

- 4. Board of Directors
 - a. Must have
 - 1. include or exclude officers?
 - b. General powers
 - c. Specific powers
 - 1. No proxies
 - d. Number of directors
 - e. Qualifications
 - f. Restrictions on directors
 - g. How selected
 - 1. Nominations
 - a. Committee
 - b. By members
 - c. From floor
 - 2. Election
 - a. By regions
 - b. Overall membership
 - h. Terms
 - i. Vacancies
 - 1. When
 - a. Resignation
 - b. Removal
 - c. Automatic
 - 2. How filled
 - j. Meetings
 - 1. Place
 - 2. How often
 - a. Special meetings
 - 3. Electronics
 - a. Conference call
 - b. Other?
 - 4. Notice

- a. To whom
- b. How given
- c. Agenda
- 5. Quorum
- 6. Voting requirements
 - a. Percentage required to pass a measure
 - b. Present and voting
- 7. Compensation and reimbursement
- 8. Committees
 - a. Executive committee
 - b. Audit committee

5. Officers

- a. Definition
 - 1. Who are, for example, president, chief financial officer, secretary, etc.
 - 2. Who can hold
 - 1. Same person hold more than one office?
- b. Election
 - 1. By whom?
- c. Terms
 - 1. Set terms
 - 2. At will
- d. Responsibilities
- e. Vacancies
 - 1. Removal and resignation
 - 2. How filled

6. Conflicts of Interest

- a. To whom rules apply
 - 1. Interested director statutes and requirements
- b. Definition of
- c. Requirements
 - 1. Full disclosure
 - 2. non-participation
- d. Consequences of breach

7. Disputes, hearings, and appeals

- a. Provision for hearings
- b. Minimal requirements
 - 1. Adequate notice
 - 2. Opportunity to respond
 - 3. Neutral decision makers

- c. Appeals
- d. Litigation
 - 1. Exhaustion of remedies
 - 2. Loser pays provisions

8. Indemnification

9. Insurance

SAMPLE BYLAW PROVISIONS

BYLAWS OF THE ATLANTIS YOUTH SOCCER ASSOCIATION, INC., A State of Happiness Nonprofit Public Benefit Corporation

PART I – GENERAL

1.01 Name

The name of this corporation is Atlantis Youth Soccer Association, Inc., also referred to as AYSA, a tax-exempt corporation under the laws of the United States and of the State of Happiness. Atlantis Youth Soccer Association, Inc. shall maintain its tax-exempt status.

1.02 Principal Office

The principal office for the transaction of the activities and affairs of this corporation is located in the City of _____, County of _____, State of Happiness. The Board of Directors may change the location of the principal office from one location to another within the State of Happiness and may establish branch offices at any place within the State of Happiness.

1.03 Purpose

1.03.01 This corporation has been formed as a nonprofit [educational or charitable] organization to develop, promote, and administer for the benefit and development of youth the sport of soccer among youth, boys and girls under 19 years of age, within the territory of the State of Happiness. The purpose of this corporation and of all of its members shall be to offer, regardless of race, color, religion, age, sex, national origin or ability, a soccer program to all youth within their geographical area.

1.03.02 This corporation holds and may exercise all powers conferred upon it by the Nonprofit Corporation Law of the State of Happiness and as may be necessary for its administration and to attain its purpose. In no event shall this corporation engage in activities that are not permitted by a tax-exempt corporation under Section 501(c) (3) of the Internal Revenue Code or the laws of the State of Happiness. The activities of this corporation will not include or consist of carrying on propaganda, or otherwise attempting to influence legislation, or intervening in any political campaign.

1.04 Boundaries and Regions

1.04.01 The territory of this corporation shall be the entire area of the State of Happiness.

1.04.02 This corporation will have 7 geographical subdivisions known as Regions within its territory.

- a. Region 1 shall consist of the Counties of _____, _____, and _____;
- b. Region 2 shall consist of the Counties of _____, _____, and _____;
- c. Region 3 shall consist of the Counties of _____, _____, and _____;
- d. Region 4 shall consist of the Counties of _____, _____, and _____;
- e. Region 5 shall consist of the Counties of _____, _____, and _____;
- f. Region 6 shall consist of the Counties of _____, _____, and _____;
- g. Region 7 shall consist of the Counties of _____, _____, and _____;

1.05 Dedication of Assets

This corporation's assets are irrevocably dedicated to its public benefit purpose. No part of the earnings, properties, or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person, or to any director or officer of the corporation. On liquidation or dissolution, all properties and assets remaining after payment of all debts and liabilities of the corporation must be distributed to the United States Youth Soccer Association, Inc. for the purpose of the development of youth soccer.

1.06 Affiliation

This corporation shall be an affiliate of the United States Youth Soccer Association, Inc.

1.07 Rules of Order

Robert's Rules of Order as currently revised shall govern this corporation in all cases in which they do not conflict with applicable law, the articles of incorporation, or these bylaws.

1.08 Nondiscrimination

This corporation shall not discriminate against any individual on the basis of race, color, religion, age, sex, or national origin.

PART II – MEMBERSHIP

2.01 Membership

2.01.01 Membership in this corporation consists of leagues affiliated with this corporation on a year to year basis from September 1 to August 31 of each year. The board of directors of this corporation shall sanction or create geographical subdivisions within each Region that shall be known as leagues. At no time will there be more than one league in the same geographical area.

2.01.02 To be eligible to apply for and be affiliated as a member of this corporation, a league must satisfy, in addition to any other criteria established by the board of directors, at least all of the following requirements:

- a. Be a nonprofit public benefit corporation organized under the laws of the State of Happiness;
- b. Be a tax-exempt organization under Internal Revenue Code section 501(c)(3) and section ___ of the [Revenue and Taxation Code] of the State of Happiness;
- c. Have sufficient youth players to form at least _____ outdoor soccer teams in _____ age groups for play within the league;
- d. Agree that the league, its players, teams, officials, members, and all those associated with it, will comply with the bylaws, rules, procedure, and policies of the Atlantis Youth Soccer Association, Inc.;
- e. Offer, regardless of race, color, religion, age, sex, national origin or ability, a soccer program to all youth within its geographical area;
- f. Pay all fees in the amount and on the date set by the Board of Directors;
- g. Apply each year for affiliation with this corporation by submitting: (1) on or before March 1 of each year an affiliation application with appropriate fees and (2) properly completed registration forms and fees in compliance with current registration policies and procedures.

2.01.03 On or before June 1 of each year, the Board of Directors by majority vote shall determine whether to accept, conditionally accept, or deny the application of a league to affiliate with this corporation for the following year from September 1 to August 31. The Board of Directors cannot accept or

conditionally accept as an affiliate any league that does not satisfy the minimum eligibility requirements of section 2.01.02 of these bylaws. The Board of Directors may deny affiliation for any reason not prohibited by law.

2.01.04 Each member must pay, within the time and on the conditions set by the board, the dues, fees, and assessments as fixed from time to time by the Board of Directors.

2.01.05 No membership or right arising from membership shall be transferred.

2.01.06 Members who have paid the dues, fees, and assessments and who are not suspended are members in good standing.

2.01.07 Members in good standing shall have the right to vote, as set forth in these bylaws, on:

- a. The amendment of these bylaws.
- b. The dissolution of this corporation.
- c. The disposition of all or substantially all of this corporation's assets other than by liquidation or dissolution.

2.02 Suspension and Termination of Membership

2.02.01 Membership shall terminate on the occurrence of any of the following:

- a. Resignation;
- b. Expiration of the period of membership unless renewed by the board of directors;
- c. Failure to pay dues, fees, or assessments when due and payable;
- d. Any event that renders the member ineligible for membership, including the failure to satisfy membership eligibility requirements;
- e. Liquidation or dissolution of the member or disposition of all or substantially all of the member's assets other than by liquidation or dissolution;
- f. Termination based on a decision by the Board of Directors that the member has failed in a material respect to observe the rules and procedures of this corporation or has engaged in conduct materially prejudicial to this corporation's purposes and interests.

2.02.02 Membership may be suspended based on a decision by the Board of Directors that the member has failed in a material respect to observe the rules and procedures of this corporation or has engaged in conduct materially prejudicial to this corporation's purposes and interests.

Suspension may be on such terms and subject to such conditions as the Board of Directors may impose.

2.02.03 The following procedures shall be followed to suspend or terminate a membership:

- a. The member shall be given at least 15 days prior written notice of the proposed suspension or termination with a statement of reasons for the proposed suspension or termination. The notice must be sent by first-class or registered mail to the member's last address as shown on the corporation's records.
- b. The member must be given an opportunity to be heard, orally and in writing, at least ten days before the effective date of the suspension or termination. The hearing shall be held by the Board of Directors or by a committee appointed and authorized by the Board of Directors, which shall decide whether the member should be suspended, its membership terminated, or sanctioned in any way.

PART III – MEMBERSHIP MEETINGS

3.01 Annual General Meeting

3.01.01 The Board of Directors shall call an Annual General Meeting of the members of this corporation to be held in the month of January, February, or March. Written notice of the date, time, place, and business to be conducted at the meeting shall be given to each member in good standing not less than 30 nor more than 90 days before the date of the meeting. The Annual General Meeting must be held at a location within the State of Happiness.

3.01.02 The order of business for the Annual General Meeting shall be as follows:

- a. Call to order
- b. Credentials Report
- c. Introduction of Guests
- d. Minutes of prior Annual General Meeting
- e. Reports
- f. Unfinished business
- g. Proposed amendments to bylaws
- h. New business
- i. Adjournment

3.01.02 A quorum shall consist of any number of members present at the Annual General Meeting.

3.01.03 Each member and each director of this corporation shall be entitled to one vote. Voting shall be restricted to members in good standing on the date of the Annual General Meeting. Voting by proxy or by absentee ballot is prohibited.

3.01.04 Any member in good standing or any director of this corporation may propose amendments to these bylaws. Proposed amendments must be submitted in writing to this corporation at the address of its principal place of business on or before October 1 preceding the Annual General Meeting. All proposed amendments to these bylaws must be forwarded in writing to all members in good standing and all directors of this corporation at least 60 days before the date of the Annual General Meeting. Other than to correct typographical or clerical errors that do not change the substance of a proposed amendment to these bylaws, proposed bylaw amendments may not be amended or modified at or before the Annual General Meeting.

3.01.05 An affirmative vote of two-thirds of eligible voters present and voting at the Annual General Meeting is required to adopt an amendment to these bylaws. Unless expressly stated otherwise in an amendment to these bylaws, all amendments become effective on the September 1 following the Annual General Meeting.

3.01.06 With the exception of amendments to these bylaws, all other matters subject to vote shall be decided by majority vote of those present and voting at the Annual General Meeting.

3.02 Special Meetings

3.02.01 A special meeting of the membership may be called by a majority vote of the Board of Directors or by 20 percent or more of the members in good standing. A special meeting shall be called by written request that states the specific nature of the business proposed and that is submitted to the president or the secretary. Notice of the call of the meeting, including a statement of the specific nature of the business proposed, shall be given within 20 days of the receipt of the request to all members in good standing. The special meeting shall be held not less than 30 days nor more than 90 days after receipt of a valid request for a special meeting. Notice of the place, time, and date of the special meeting shall be given to each member in good standing not less than 15 days before the meeting.

3.02.02 No business other than the specific business proposed as set forth in the notice of the call of the meeting may be transacted at the special meeting.

PART IV – BOARD OF DIRECTORS

4.01 General Powers

4.01.01 Subject to applicable law and to provisions in the articles of incorporation or these bylaws that require approval of the members, the activities and affairs of this corporation shall be managed and all corporate powers exercised by or under the direction of the board of directors.

4.02 Specific Powers

4.02.01 Without limiting or prejudice to the general powers stated in section 4.01.01 of these bylaws, but subject to the same limitations, the board has the power to do the following:

- a. At the pleasure of the board, appoint and remove officers, agents, and employees, prescribe their powers and duties, and fix their compensation;
- b. Change the principal place of business in the State of Happiness from one location to another;
- c. Conduct, manage, and control the corporation's affairs and activities and make such rules and regulations and adopt such policies consistent with law, the articles of incorporation, and these bylaws as the board of directors deems appropriate;
- d. Borrow money and incur indebtedness and execute and deliver evidences of indebtedness and security for indebtedness.

4.03 Number and Qualifications of Directors

4.03.01 The board of directors shall consist of the Regional Commissioners, the President, the First Vice President, the Second Vice President, Secretary, and Chief Financial Officer. In no case will the board of directors exceed 15 members. The terms of office for a member of the board of directors shall be two years commencing on January 1 following the election to office.

4.03.02 The affiliated leagues in good standing in each Region shall elect by secret ballot and by majority vote, with each league having one vote, a Regional Commissioner for the region that geographically includes the league. The elections of Regional Commissioners shall be held no later than the November 15 preceding the expiration of the Regional Commissioner's term of office.

4.03.03 The Regional Commissioner's shall elect by secret ballot and by majority vote, with each Regional Commissioner having one vote, the President,

the First Vice President, the Second Vice President, Secretary, and Chief Financial Officer. The elections for these positions shall be held no later than the November 15 preceding the expiration of the terms of office for these positions.

4.04 Restriction on Directors

4.04.01 Directors shall not receive or be entitled to receive compensation. Directors may receive reimbursement for or an advance of moneys for reasonable expenses incurred or to be incurred incidental to their position as a director. The corporation will not make any loan of money or property or guarantee the obligation of any director.

4.04.02 No AYSA director can concurrently be a director, officer, employee, agent, independent contractor, or member of any other youth soccer organization, entity, or group or soccer organization, entity or group that includes youth under the age of 19.

4.04.03 No more than 49 percent of the members of the board of directors shall be “interested persons.” An “interested person” is any person receiving compensation for services to this corporation within the previous 12 months, whether as an independent contractor or otherwise, and any sibling, parent, child, niece, nephew, or in-law of such person.

4.05 Vacancies

A vacancy on the board of directors shall occur upon a director’s death, removal, resignation, conviction of a felony, conviction of any criminal offense involving minors, a final judgment of breach duties under the nonprofit public benefit corporation law of the State of Happiness, or a declaration of unsound mind by court order.

4.06 Resignation

Any director may resign by giving written notice to the President or Secretary of the board of directors. The resignation shall be effective when the notice is given unless it states a later time for the resignation to be effective.

4.07 Removal

4.07.01 Any director may be removed for good cause by a vote of the majority of the members of the entire board of directors.

4.07.02 Any director who fails to attend three successive board meetings shall be automatically removed from the board unless a leave of absence for a limited period of time has been requested and approved by the board or the director suffers from an illness or disability that prevents the director from attending the meetings and the board waives the automatic removal provision.

4.08 Filling Vacancies on Board of Directors

4.08.01 A vacancy on the board of directors for the position of Regional Commissioner shall be filled for the remainder of the term, within 60 days of the date of the vacancy, by the affiliated leagues in good standing in the Region for which there is a vacancy by election by secret ballot and by majority vote, with each league having one vote. In the event the position is not so filled within 60 days of the vacancy, the board of directors shall fill the vacancy for the remainder of the term by secret ballot and by majority vote.

4.08.02 A vacancy in the position of President, First Vice President, the Second Vice President, Secretary, and Chief Financial Officer shall be filled by the board of directors for the remainder of the term by secret ballot and by majority vote.

4.09 Board of Directors' Meetings

4.09.01 The board shall hold general meetings not less than once every three months. Meetings of the board of directors may be held any place within the State of Happiness that has been designated in a notice of the meeting to the directors.

4.09.02 Special meetings of the board for any purpose may be called by the President or by any three directors. Notice of the time and place of a special meeting shall be given to each director by personal delivery of a written notice, first-class mail, telephone, including a telephone messaging machine, facsimile, electronic mail, or other electronic means.

4.09.03 The board may hold a meeting by conference telephone call or other communication equipment provided that every director participating in the meeting can communicate with every other director and every director has the means of participating in all matters before the board, including proposing or objecting to specific actions.

4.09.04 A majority of directors shall constitute a quorum for the transaction of business. Except as otherwise provided in these bylaws, every action taken or decision made by a majority of the directors present at a meeting at

which a quorum is present shall be an act of the board. A meeting at which a quorum is initially present may continue to transact business despite the withdrawal of a director or directors if action taken is approved by at least a majority of the required quorum for the meeting.

4.10 Committees

4.10.01 The Executive Committee consists of the President, First Vice President, the Second Vice President, Secretary, and Chief Financial Officer. The Executive Committee shall have all the authority of the board in the management of the corporation between meetings of the board, provided that all actions of the Executive Committee must be reported to and ratified by the full board at the next meeting following the action of the Executive Committee.

4.10.02 Except as provided in section 4.10.03, the board of directors by resolution adopted by a majority vote may create one or more committees to serve at the pleasure of the board. The President will appoint the members of each such committee. Committee's shall make recommendations to the board of directors.

4.10.03 The corporation shall have a five-person audit committee consisting of at least three directors and may include nonvoting advisors. The President, the Chief Financial Officer, any employee of the corporation, and any person with a material financial interest in any entity doing business with the corporation may not serve on the audit committee. No person who receives any compensation may serve on or be an advisor to the audit committee. If a finance committee is established by the board, a majority of the members of the audit committee may not serve as members of the finance committee and the chair of the audit committee may not serve on the finance committee. The audit committee shall perform the duties and adhere to the guidelines in the audit committee charter as established by the board of directors. Such duties shall include:

- a. Assisting the board in choosing an independent auditor and recommending termination of the auditor;
- b. Setting the compensation of the auditor;
- c. Conferring with the auditor regarding the corporation's financial affairs;
- d. Reviewing and accepting or rejecting the audit.

PART V — OFFICERS

5.01 Executive Officers

5.01.01 The executive officers of this corporation are the President, the First Vice President, the Second Vice President, Secretary, and Chief Financial

Officer, who shall also serve as members of the board of directors. The election, terms of office, restrictions on, resignation, and removal of executive officers and vacancies in these offices and the filling of such vacancies shall be governed by Part IV of these bylaws.

5.01.02 Responsibilities of Officers

- a. The President shall preside at board meetings and shall exercise and perform such other powers and duties as the board may assign. The President shall be the chief executive officer of this corporation.
- b. The Vice Presidents, if the President is absent or disabled, in order of their rank by title, shall perform all duties of the president. When so acting, a Vice President shall have all the powers of and be subject to all the restrictions on the President. The Vice Presidents shall have such other power and duties as the board may assign.
- c. The secretary shall cause to be kept a book of minutes of all meetings, proceedings, and actions of the board, of committees of the board, and of member meetings.
- d. The chief financial officer shall cause to be kept and maintained adequate and correct books and accounts of the corporation. The books of account shall be open to inspection by any director at all reasonable times. The chief financial officer will cause to be given to the members and directors financial statements and reports required by law, these bylaws, or the board of directors. The chief financial officer shall cause to be deposited all money and other things of value in the name of the corporation, disburse funds as directed by the board of directors, and provide to the president or the board when requested an account of all transactions and of the financial condition of the corporation.

5.02 Non Executive Officers

5.02.01 The board may appoint and authorize the president or another executive officer to appoint any non executive officers that the corporation may require. Appointed officers shall perform the duties specified by the board. Any such officer may resign at any time by giving written notice to the president, and the board may remove any officer at any time with or without cause.

5.03 Restriction on Officers

No AYSA officer can concurrently be a director, officer, employee, agent, independent contractor, or member of any other youth soccer organization, entity, or group or soccer organization, entity or group that includes youth under the age of 19.

PART VI — CONFLICTS OF INTEREST

6.01 Introduction

The Atlantis Youth Soccer Association, Inc. (AYSA) is charged with conducting its affairs consistent with the highest ethical principles and the public trust that have been placed in it as a not-for-profit, tax-exempt public benefit corporation. This Part VI is directed to ensuring that the business of the AYSA is conducted ethically, in good faith, and with honesty and fairness, and sets forth the minimal acceptable standards of conduct.

6.02 Definitions

- a. “AYSA” means the Atlantis Youth Soccer Association, Inc.
- b. “Person” means a director or officer of AYSA.
- c. “Conflict of interest”—
 1. means any relationship, transaction, or arrangement that could influence, or be reasonably perceived as influencing, a Person’s objectivity as a member of the Board of Directors or as an officer of the AYSA in regard to matters involving AYSA that could result in any personal benefit, either directly or indirectly, financially or otherwise, to that Person, a member of that Person’s family, a business partner or business associate of that Person, or a close personal associate of that Person; and
 2. includes actual conflicts of interests, potential conflicts of interest, and a perceived conflict of interest; a perceived conflict of interest exists if a person not associated with AYSA, and aware of the facts, might reasonably entertain a doubt that the Person would be impartial.
- d. “Compensation” means any form of remuneration other than reimbursement for expenses actually incurred.
- e. “Disinterested” means an absence of a conflict of interest with respect to a matter.
- f. “Party” means any individual or entity of any type.

6.03 Requirements

- a. Each Person shall observe the requirements referred to in this Part VI.
- b. While it is impossible to list in this Part VI every circumstance that may suggest a conflict of interest, the following criteria shall be used when deciding whether a particular situation may give rise to a conflict. A Person shall avoid any action that might result in or create a perceived conflict of interest of:

1. using association with the AYSA for private gain;
 2. granting by the AYSA of unwarranted preferential treatment to any party;
 3. misusing AYSA's confidential information for financial or other personal gain of the Person or a party;
 4. losing AYSA's independence or impartiality;
 5. adversely affecting public confidence in the integrity or the reputation of the AYSA; or
 6. endangering life, health, or safety.
- c. Any deviation from this Part VI must be reported to AYSA's Board of Directors, by giving notice pursuant to section 6.05. Any exceptions to this Part VI must be approved by a two-thirds vote of the Board of Directors before consummating any part of any affected transaction. Failure to follow this Part VI will not only violate this Part VI, but may also be illegal and possibly result in civil liability.

6.04 Conflicts of Interest

- a. Each Person with a conflict of interest must, before any participation in any matter concerning the policies, decisions, or operations of AYSA that involves the conflict of interest, do each of the following:
1. fully disclose to the board of directors all material facts relating to the conflict of interest;
 2. excuse himself or herself from any formal or informal discussions relating to the matter involving the conflict with any individual that is to render a decision or vote on the matter;
 3. not participate or be present during deliberations or discussions relating to any matter involving the conflict of interest, except the Person may be allowed to be present only to make a statement about the potential benefits regarding the matter involving the Person's conflict and to answer questions regarding the conflict; and
 4. abstain from voting or seeking to influence the vote on any matter relating to the conflict of interest.
- b. A Person may not:
1. participate as a decision maker in the resolution of any formal or informal complaint, grievance, appeal, or allegation that the Person, or the party that the Person represents before AYSA, made or caused to be made to AYSA against or with respect to a party; or
- c. (1) Any decision in which one or more Persons had a conflict of interest at the time of that decision is void unless each of the following exists:
- a. each Person with a conflict of interest relating to the decision fully complied with the requirements of paragraphs a and b of this section 6.04; and

- b. as provided in paragraph d, there is a recorded vote of disinterested individuals on the AYSA Board of Directors entitled to vote that is sufficient to approve the decision in which any Person had a conflict of interest, and the vote shall show how each disinterested individual voted.
- 2. Any decision referred to in subsection 1 of this section is valid and enforceable if the requirements of clauses a and b are met prior to the decision.
- d. Any matter involving a conflict of interest shall be referred immediately to the AYSA Board of Directors. The identity of those board members voting to approve a decision in which any Person has a conflict of interest shall be set forth in the minutes of the meeting in which the vote was taken.

6.05 Disclosure

- a. It is the responsibility of each Person, upon knowledge of any violation of this Part VI or of any situation which might be in violation of this Part VI, to report all relevant facts on the subject to the Board of Directors. Failure to make a disclosure is itself a violation of this Part VI.
- b. Any disclosure or notice required by this Part VI shall be made by giving written notice to the AYSA Secretary and shall be made within 30 days of the event giving rise to the required disclosure.
- c. At least annually, AYSA shall provide to each Person an appropriate Conflicts of Interest Disclosure Statement, which must be completed and returned to the AYSA in the time and manner provided for in the statement form.
- d. Copies of any disclosure or notice required by this Part VI shall be made available by the AYSA Secretary to any member of the board of directors within 30 days of the receipt of a written request.

PART VII — DISPUTES, HEARINGS, AND APPEALS

7.01 Hearings

7.01.01 Each member shall provide procedures for the hearing of disputes, claims of violations of bylaws, rules, or procedures, imposition of discipline, or the ability of individual players to participate or compete. The Board of Directors of this corporation shall provide procedures for the hearing of disputes, claims of violations of bylaws, rules, or procedures, imposition of discipline, or the ability of individual players to participate or compete and for appeals from hearings held by members or by this corporation.

7.01.02 The procedures established for the holding of hearings shall include at a minimum the following:

- a. reasonable notice to the person, group, or entity against whom proceedings are instituted of charges or allegations made, including a sufficient statement of the facts upon which the proceedings are based to enable the person, group, or entity to respond;
- b. a reasonable and meaningful opportunity of the person, group, or entity against whom proceedings are instituted to respond to the charges or allegations made;
- c. a hearing held before neutral decision makers.

7.02 Appeals

7.02.01 The board of directors will establish procedures for the appeal by an aggrieved party of any adverse decision affecting the rights of a person, group, or entity and shall set the fee for the filing of an appeal.

7.02.02 Upon receipt of an adverse decision, appeal may be made to the next higher authority, including to any entity with which this corporation is affiliated.

7.03 Litigation

7.03.01 No person, group, or entity may invoke the aid of the courts of the United States or of a State without first exhausting all available remedies for hearing and appeals.

7.03.02 For any violation of section 7.03.01, the offending party shall be liable to suspension and fines, and shall be liable to AYSA and its members for all expenses incurred by AYSA and its members, including directors, officers, employees, and agents of AYSA or its members, in defending each court action. Such expenses include, but are not limited to the following:

- a. court costs;
- b. attorney's fees;
- c. reasonable compensation for time spent by AYSA and its members, officials, and employees in responding to and defending against any action, including discovery and court appearances;
- d. travel expenses;
- e. expenses for holding meetings necessitated by the any court action.

PART VIII — INDEMNIFICATION

8.01 Indemnification

8.01.01 To the fullest extent permitted by law and without prejudice to any other rights, this corporation shall indemnify its directors, officers, employees, agents, and volunteers, including any person formerly occupying such positions, against all expenses (including, but not limited to attorney's fees and expenses of establishing indemnification) judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any threatened, pending, or completed proceeding, including civil, criminal, administrative, or investigative proceedings, arising out of or relating to such person's actions or failures to act on behalf of or in the interest of this corporation if such person acted in good faith and in a manner the person reasonably believed to be in the best interest of this corporation and in the case of a criminal proceeding had no reasonable basis to believe the conduct was unlawful. Indemnification shall be made by the corporation only if it is determined that the person acted in good faith and in a manner the person reasonably believed to be in the best interest of this corporation and in the case of a criminal proceeding had no reasonable basis to believe the conduct was unlawful by:

- a. a majority vote of a quorum of directors who are not parties to the proceeding; or
- b. approval by the members; or
- c. the court in which the proceeding is pending upon application made by the corporation or the person.

8.01.02 To the fullest extent permitted by law and except as otherwise determined by the board of directors in a specific instance, reasonable expenses of a person seeking indemnification in defending any proceeding shall be advanced by the corporation before final disposition of the proceeding upon receipt of an undertaking by or on behalf of the person to repay such amount unless it is ultimately determined that the person is entitled to indemnification.

PART IX — INSURANCE

9.01 Insurance

This corporation shall have the right and shall use its best efforts to purchase and maintain insurance to the full extent permitted by law on behalf of its directors, officers, employees, and agents to cover any liability asserted against or incurred by any director, officer, employee, or agent in such capacity or arising from the director's, officer's, employee's, or agent's status as such.