



UCWDC® RELATED MEMBER POLICY

Version 1.0

Date	Created by	Checked by	Approved by	Effective date
June 27, 2019	Keith Armbruster	Executive Committee	General Council	Feb. 21, 2020

REVISIONS					
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1. INTRODUCTION

The United Country Western Dance Council® is an international organization which promotes country western dance by producing festivals and competitions across the world. We host the annual Country Dance World Championships® for couples and line dancers and we advocate country dancing as a social activity for people of all ages and abilities.

1.1 Purpose

This document defines what a relationship between UCWDC Event Directors may consist of and its restrictions or limitations within the UCWDC.

The United Country Western Dance Council (UCWDC) has a duty to protect the interests of the UCWDC, its Sanctioned Member Events and Event Directors while provide guidance to its Member Directors on the appearance of transparency perception of inappropriate decision making or collusion.

This policy shall be read in conjunction with the UCWDC Conflict/Duality of Interest Policy

1.2 Statement

The United Country Western Dance Council (UCWDC) will not discriminate on the basis of race, creed, color or national origin, religion, physical or mental disability, age, citizenship, family care status, gender identity, transgender status, sex, sexual preferences, sexual orientation, military or veteran status, genetic information, or any other legally-protected characteristic.

2. DEFINITION OF TERMS

2.1 Related, Relationship or Relation

For the UCWDC's purposes, a relationship is defined as blood, marriage, or outside business connection.

1. Blood relations; are family members extending to mother, father, brother, sister, son, daughter, and grandmother or grandfather. Once it gets to aunts, uncles, and/or cousins, you're probably beyond the strict definition of blood related.
2. Marriage relations; include spouse, common-law partner, son or daughter-in-law, and mother or father-in-law.
3. Business relations; are two or more business partners.
4. Former spouses are NOT considered to be related.

2.2 Majority Event Director

For the UCWDC's purposes, a Majority Director is identified under Article 4 and 7.4, UCWDC Bylaws

2.3 Minority Event Director

For the UCWDC's purposes, a Minority Director is identified under Article 4 and 7.4, UCWDC Bylaws



3. UCWDC EVENT DIRECTORS

A UCWDC Event Director is defined under Article 4 – MEMBERSHIP of the current UCWDC Bylaws

3.1 Related Event Directors

Related Event Directors may be Event Directors of multiple Events, however no UCWDC Sanctioned Member Events with a related Majority Event Directors shall have more than one (1) vote.

4. BOARD OF DIRECTORS

The UCWDC restricts Related Event Directors of the organization to be active members of the Board of Directors.

4.1 Reference

The UCWDC Board of Directors is defined under Article 12 – DIRECTORS of the current UCWDC Bylaws

1. **Article 12.1 states** “Number and Qualifications: The Board of Directors shall consist of the Executive Committee and the Regional Representatives. Directors shall be natural persons of full age and Fully Sanctioned Members of the Council. ...”
2. **Article 12.3 states:** “Executive Committee: The whole Executive Committee shall consist of the current elected Council Officers, and the two (2) immediate Past Presidents. ...”
3. **Article 16.1 states:** “The Officers of the Council shall be elected by the Sanctioned Members at the official meeting of Sanctioned Members and shall be a President; Vice President Judge Certification; and Vice President Rules, Secretary and Treasurer.

4.2 Why It Matters

The UCWDC considers related Board of Director members to not be completely independent. Even if the people in question believe they are not subject to influence by virtue of that relationship. We consider it to be a conflict-of-interest that impacts the Organization. As such, there are strict rules with regard to nonprofit governance where related Board of Director members are involved in a Public Organization, defined under Article 4.3 of this Policy.

4.3 Public Organization

The UCWDC is registered in the state of Pennsylvania as a 501(c)(3) NonProfit Public Organization.

The Internal Revenue Services (IRS) requires that Public Organizations have at least 51% of the voting members of the Board of Directors be unrelated. Beyond a simple majority, it is also important that the organization is able to form a quorum of majority-unrelated directors in order to conduct an official Board of Director’s meeting. To put that in perspective, if a nonprofit has 7 board members, two of whom are married, the overall balance is OK. But, if only 4 directors can attend a board meeting, and 2 of the 4 are the related directors, a quorum hasn’t been reached.



This principle is one of many IRS regulations that are extrapolated from another rule. Being classified as a Public Organization is a preferential status level of 501(c)(3) that brings with it the highest level of donor tax-deductibility allowed. In exchange, the IRS requires that the Board of Directors of the Organization be free of private benefit (inurement) and governed at arms-length from the personal interest of those doing the governing. While it may not be chapter-and-verse quotable, the IRS consistently interprets Public Organization Board of Directors with more than half of its members related to one another as being in violation of the inurement prohibition. This is demonstrated in Revenue Rulings, Revenue Procedures, court cases, and everyday regulatory administration.

END OF POLICY