

Guiding Principles

SUDS Servicemembers Undertaking Disabled Sports

Background and Philosophy

SUDS is a charitable and educational 501(c)3 non-profit corporation formed for the purpose of providing access to adventure sport activities for the betterment of the lives of wounded, injured, and ill veterans who served in Iraq and Afghanistan. SUDS was established in 2007 at Walter Reed Army Medical Center in Washington DC where the sport of SCUBA diving was first offered.

SUDS is now a multi-sport program. In addition to SCUBA, SUDS' activities include rock climbing, mountain biking, whitewater sports, backpacking, fishing, canyoneering, and snow skiing. In 2020, SUDS relocated to "Military City" and is now based in San Antonio, Texas.

1. Objects of organization:
 - a. To provide access to adventure sports activities at no cost to the participant
 - b. To assist participants in overcoming any physical limitations of their disabilities to become active in adventure sports
 - c. To promote lifelong participation in adventure sport activities
 - d. To ensure the safe and professional conduct of our charitable purposes
 - e. To ensure that our participants are not exploited for commercial or political purposes

2. We do this by:
 - a. Providing access to a variety of outdoor sports activities as well as SCUBA certification through SDI certification programs to disabled veterans
 - b. Educating disabled veterans about the opportunities and lifelong benefits of outdoor adventure sports activities
 - c. Facilitating the adventure sports activity process by coordinating trips to locations both in and outside of the United States

We believe that the veterans we serve have given of themselves unselfishly and made great sacrifices for our nation. It is because of this that we seek to honor them through our service. In pursuing our philanthropic purposes, we wish to share our passion for outdoor adventure sports and to enable our participants to experience the

challenges, exhilaration, and sense of accomplishment through adaptive sports activities. We encourage our participants to enjoy life, to share in the camaraderie that SUDS has to offer, and to develop a lifelong interest in adventure sports. We believe that our participants can accomplish extraordinary things regardless of their disabilities; the SUDS program gives them an opportunity to prove it to themselves.

Guiding Principles

Since its inception in 2007 SUDS has been affiliated with and chapter of the national leader in community adaptive sports, Move United. With their over 221 member organizations in 46 states, we are united by a single mission: ensuring everyone, regardless of ability, experiences the life-changing power of sport and is included in their community. SUDS fully endorses and adheres to the guiding principles of Move United as quoted below:

Guiding Principles for Move United

Move United and its members are dedicated to the following principles:

- Move United's vision is that every person, regardless of ability, has an equal opportunity to participate in sports and recreation in their community. The mission is to provide national leadership and opportunities for individuals with disabilities to develop independence, confidence, and fitness through participation in community sports, including competition, recreation, and educational programs.*
- That participation in sports, recreation and physical fitness is an integral part of the rehabilitation process. Through sports, people with disabilities gain abilities that increase self-confidence, independence, and mobility. This in turn promotes an active lifestyle and social development and increases prospects for employment.*
- That activities be conducted, whenever feasible, in public recreation facilities and venues, to provide maximum interaction with the general public in an integrated environment.*
- That people with disabilities be recruited to fill leadership, staff, and volunteer positions in the organization; to provide opportunities for personal growth and employment, as well as positive role models for other disabled participants.*
- That, in most cases, people with disabilities can achieve high levels of physical fitness, which is essential to lead an active and healthy life and achieve mental well-being.*
- That sports instruction should be conducted in a carefully planned educational setting utilizing trained volunteers and professionals.*
- That the organization should conduct its activities in a businesslike manner, with competent governance and sound financial guidelines.*

Wellness

We endeavor to promote active healthy lifestyles, self-reliance and camaraderie. In creating and supporting this environment, we encourage positive attitudes and self-affirming behaviors.

Commitment to Privacy

We are committed to protecting the dignity of our participants in our dealings with the general public, media, and sponsors. The program is first and foremost for the benefit of our participants and all other interests are secondary. We recognize that good media relations can help to further our cause, but we are forever mindful that the program exists for our participants and their experiences. In order to foster good relations and generate public interest in our activities, SUDS volunteers act as spokespeople and filter contact with our participants in order to ensure their privacy and dignity.

We will respect the privacy of the service members we serve. No personal information to include participant names and the nature of their injuries will be released without their express written approval. Photography (film or video) will be permitted only with the approval of SUDS officers/instructors and with the participants' consent. We recognize that individuals who have permitted their images and stories to be released publicly may retract their release authorizations at any time and we will make our best efforts to accommodate their wishes in a timely fashion.

All program participants are veterans of the Iraq and Afghanistan conflicts and, with some exceptions, are active-duty service members. Because of their duty status, most participants are governed by service regulations that restrict them from making commercial endorsements of products or services as well as the prohibiting them from participating in any partisan political activities. To be consistent with the rules governing the majority of our participants and to protect our non-profit status, SUDS and its board members acting on behalf of the organization will not intentionally make any endorsements or statements for commercial, political or personal reasons that do not reflect the philosophy of SUDS or that do not respect the privacy and personal integrity of our program participants.

While conducting our activities in public, we are sensitive to the potential for exploitation of our participants and we endeavor to balance our public activities with our responsibility to protect our participants from any form of exploitation.

Risk management:

Our participants' safety is paramount in the conduct of our training and related travel. Risk is essential to the nature of adventure sports activities and our mission, and risk management requires alignment on what is an appropriate level of risk to ensure participants are able to fully participate in appropriately challenging activities. Safety serves as the foundation of our programs regardless of the activity or environment. We believe managing risks through thorough analysis of our operations. With respect to managing the risks associated with diving operations, SUDS instructors are required to follow SDI procedures. In addition, if

the dive trip is related to a Grant we are required to file a Participant Trip Report with Move United. These reports provide an opportunity to identify issues that require attention to mitigate risks in future activities. As a board of directors, we strive to use every opportunity to refine our risk management and event planning procedures.

Financial Responsibility and Sponsorship

In order to accomplish our goals, we rely on the charitable contributions of private citizens and funding from other related non-profit organizations.

When traveling for adaptive sports, program participants are funded by SUDS and the generous donations of our sponsors and sponsor organizations. From time to time, it may be appropriate for board members, volunteers, spouses, supporters, and SUDS alumni to accompany program participants on trips. When attending these trips, all attendees who are not current SUDS participants or instructors will be responsible for all costs and fees associated with the trip. These individuals may take advantage of any discounts offered to SUDS participants if they are determined to be widely available to the general public.

Business Ethics:

As the board of directors, we will govern our activities as they pertain to our personal commercial interests in accordance with the SUDS conflict of interest policy.

Protecting Our Image:

The SUDS logo is worn by our program participants and instructors as a badge of honor which represents their esprit de corps. The SUDS logo is renowned in the community and associated with our activities as a de facto trademark. Reproductions of the SUDS logo for commercial use is not permitted without the written permission of the board of directors.

Current approved uses are:

1. For use on clothing and spirit items provided by the SUDS organization to its participants and instructors
2. For use on pamphlets posters and other informational materials used to promote the program
3. For use on pamphlets posters and other informational materials used to advertise fundraising efforts for the benefit of the program

Sponsorship:

We are committed to practicing sound risk management techniques in evaluating appropriate sponsorship of SUDS events or events for the financial benefit of SUDS. Potential sponsorship opportunities will be vetted by the SUDS board of directors prior too engaging in sponsored events. The SUDS board of directors wishes to

encourage appropriate sponsorship of events. To that end, we welcome the charitable assistance of individuals and organizations that will respect our core principles and support the guidelines set forth in our by-laws and guiding principles.

How do we determine appropriate sponsorship?

1. Potential for commercial or political exploitation
2. Potential for physical danger to participants if service providers fail to uphold our standards for risk management relative to event planning and upkeep of equipment.
3. Potential exposure of SUDS to financial liability or risk to our image/reputation in being connected to any event that is poorly managed, misdirected or has the potential to result in physical or emotional injuries to its participants

It is our concern that if an event has the SUDS name on it and we are not in control of the planning, risk management and execution of the event, we will open ourselves to an unacceptable level of risk, liability, or potential damage to our reputation that will ultimately impede our ability to conduct our charitable purposes.

These guiding principles serve as an initial context to account for our conduct as a board. The list is not all-inclusive and will be modified as our activities expand and we encounter additional situations for which we need to establish guidance.

Whistleblower Policy

SUDS is committed to operating in furtherance of its tax-exempt purposes and in compliance with all with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its board members, officers, employees, or volunteers. This policy applies to any matter which is related to SUDS's business and not related to private acts of an individual not connected to the business of SUDS.

If an employee, volunteer, board member or officer has a reasonable belief that an individual has engaged in any action that violates any applicable laws, rules and regulations, including those concerning accounting and auditing, or constitutes a fraudulent practice the individual is expected to immediately report such information to SUDS Executive Director or SUDS Board President.

All reports will be followed up confidentially and promptly conduct an adequate review and investigation.

SUDS will not retaliate against the individual who has made the claim in any way. SUDS may take disciplinary action (up to and including termination) against the individual who in SUDS's assessment has engaged in conduct in violation of this policy

concerning all laws rules and regulations including those concerning accounting and auditing, and any fraudulent practice.

Document Retention and Destruction Policy

The following outlines the retention timeline for documents related to the SUDS's business practice. The documents will be saved either electronically on a separate drive or safely stored in hard copy form.

Document	Minimum Requirement
Audit Reports	Permanently
Bank Statements	3 years
Contracts in effect	3 years
Correspondence (legal)	Permanently
Correspondence (general)	Permanently
Duplicate Deposit Slips	3 years
Insurance Documents	Permanently
Year End financial statements	Permanently
Minute Books	Permanently
Payroll records	7 years
Tax Returns	Permanently
Withholding tax statements	7 years

CONFLICT OF INTEREST POLICY

ARTICLE I

PURPOSE

The purpose of this conflict of interest policy is to protect SERVICEMEMBERS UNDERTAKING DISABLED SPORTS's (the CORPORATION'S) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the CORPORATION or might result in a possible excess benefit transaction. This policy is intended to supplement, but not to replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. This conflict of interest policy shall not be construed in a manner that authorizes self-dealing transactions prohibited by I.R.C. Section 4941.

ARTICLE II

DEFINITIONS

Interested Person: Any director, principal officer, or member of a committee with governing-board delegated powers, who has a direct or indirect financial interest.

Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family 1) an ownership or investment interest in any entity with which the CORPORATION has a transaction or arrangement; 2) a compensation arrangement with the CORPORATION or with any entity or individual with which the CORPORATION has a transaction or arrangement; or 3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the CORPORATION is negotiating a transaction or arrangement. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

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

ARTICLE III

PROCEDURES

A. 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 the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

B. 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, such interested person shall leave the governing board or committee meeting while the determination of whether a conflict of interest exists is discussed and voted upon. The remaining board or committee members shall decide whether a conflict of interest exists.

C. Procedures for Addressing a Conflict of Interest.

- An interested person may make a presentation at the governing board or committee meeting, but after the presentation, such interested person shall leave the meeting during the discussion of, and vote on, the transaction or arrangement involving the possible conflict of interest.
- 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.
- After exercising due diligence, the governing board or committee shall determine whether the CORPORATION 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.
- 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 of the disinterested directors whether the transaction or arrangement is in the CORPORATION'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.

D. Violations of the Conflict of Interest Policy. If the governing board or committee 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. If, after hearing the member's 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 disciplinary and corrective action.

ARTICLE IV RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain the names of the persons who disclosed or otherwise were found to have a financial interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest existed. The minutes also shall contain the

names of 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 voting number of the governing board who receives compensation, directly or indirectly, from the CORPORATION for services is precluded from voting on matters pertaining to such member's compensation. A voting member of any committee, the jurisdiction of which includes compensation matters and who receives compensation, directly or indirectly, from the CORPORATION for services is precluded from voting on matters pertaining to such members's compensation. No voting member of the governing board or any committee, the jurisdiction of which includes compensation matters, and who receives compensation, directly or indirectly, from the CORPORATION, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI OFFICE/DIRECTOR STATEMENTS

By consenting to this conflict of interest policy (any any amendments to such policy, as well as any future conflict of interest policies), each officer and director affirms that he or she has received a copy of this policy, and has read and understands the policy, has agreed to comply with the policy, and understands that the CORPORATION is charitable, and in order to maintain its federal tax-exempt status, it must engage primarily in activities that accomplish one or more if its exempt purposes.

ARTICLE VII PERIODIC REVIEWS

To ensure the CORPORATION 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. Such periodic reviews shall, at a minimum include a decision as to whether compensation arrangements are reasonable, based on competent and comparative survey information, and are the result of arm's length bargaining: and whether partnerships, joint ventures, and arrangements with management organizations conform to the CORPORATION'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. The CORPORATION may use outside advisors to conduct such periodic reviews. The use of such advisors does not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

