Name: Conflict of Interest Policy

Applicable to: Board of Directors, advisory board members, management, staff, consultants, and volunteers.

Location: Board Manual, Employee Manual, Intranet

Effective Date: 9/16/15

Date(s) of Revision:

Legal and Other References: COA Standards: ETH 4; IRS Code (Form 990 Part VI, Section B, Line 12a-c.); Title X Chapter 112.311 F.S.; IRS Code Section 4958, Intermediate Sanctions and Inurement/Private Benefit-Charitable Organizations; 2 CFR Part 200; ELC Code of Ethics

Purpose:

A conflict of interest arises whenever the personal or professional interests of a Board, staff or committee member are potentially at odds with the best interests of ELCMC and service recipients. The purpose of this policy is twofold. First, the policy seeks to reflect the spirit of ELCMC’s commitment to promote the highest ethical standards.

Second, the policy seeks to ensure that decisions about ELCMC operations and the use or disposition of ELCMC assets are made solely in terms of the benefits of ELCMC and are not influenced by any private profit or other personal benefit to the individuals affiliated with ELCMC who take part in the decision. In addition to actual conflicts of interest, board, staff and committee members are also obligated to avoid actions that could be perceived or interpreted in conflict with ELCMC interests.

Definitions:
Conflict of Interest means a conflict, or the appearance of a conflict, between the private interests and official responsibilities of a person in a position of trust. "Involved in an ELCMC business transaction" means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from ELCMC accounts. That language is intended to include not only transactions for ELCMC's procurement of goods and services, but also for the disposition of ELCMC property, and the provision of services or space by ELCMC. A disqualified person is any person who was in a position to exercise substantial influence over the affairs of the ELCMC at any time during the 5-Year look-back period. A person who holds any of the following powers, responsibilities, or interests is considered in a position to exercise substantial influence, regardless of the title:

- A voting member of the Board of Directors;

Approved by Board of Directors
September 16, 2015
• A person who has ultimate responsibility for implementing the decisions of the Board of Directors or supervising the management, administration, or operation of the ELCMC; or
• A person who has ultimate responsibility for managing the finances of the ELCMC.

Policy Statement:

The Board of Directors, advisory board members, management, staff, consultants, and volunteers shall avoid any actual or perceived conflict of interest. All persons covered by this policy shall fully disclose any actual or perceived conflict of interest. All persons covered by this policy, where an actual or perceived conflict of interest exists, shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The member’s presence may not be counted in determining the quorum for any vote with respect to a business transaction in which he or she has a possible conflict of interest. Any ELCMC business transaction, which involves an actual or perceived conflict of interest with persons covered by this policy, shall have terms that are at least as fair and reasonable to ELCMC, as those that would otherwise be available to ELCMC, if it were dealing with an unrelated party. The ELCMC shall ensure that all transactions are in compliance with applicable state and federal laws, rules and regulations.

Examples of Potential Conflict of Interest:

• Where the Board member or close relative, or a member of that person's household, is an officer, director, employee, proprietary, partner, or trustee of, or, when aggregated with close relatives and members of that person's household, holds 1% or more of the issued stock in the organization seeking to do business with ELCMC. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractor by an organization which seeks to do business with ELCMC, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household;

• When an individual affiliated with ELCMC has an interest in an organization that is in competition with a vendor seeking to do business with ELCMC if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest;

• When an individual affiliated with ELCMC is a trustee, director, officer or employee of a not-for-profit organization which is seeking to do business with or have a significant connection with ELCMC or is engaged in activities which could be said in a business context to be "in competition with" the programs of ELCMC;

• Accepting favors, gifts, gratuities, or taking part in any activities or transactions that relate to, effect or influence decisions made for, regarding, or on behalf of the organization;

• Using donor information or relationships inappropriately or in ways that might damage donor confidentiality and/or relationships with the organization;
• Steering or accepting referrals of applicants or persons served to a private practice in which employees, consultants, or the immediate families of employees or consultants are engaged;

• Steering, directing referrals to, or giving preference to clients that are easier or less costly to serve for the agency;

• Making or accepting payments or other considerations, in exchange for referrals;

• Low interest or forgiveness of personal loans made by the organization to covered persons;

• Preferential treatment of covered persons when applying for and receiving the organization’s services; and

• Nepotism

Conflicts of interest may also arise when for any transaction the benefits of an interested party may be seen as competing with those of Florida’s Office of Early Learning (OEL). Such conflicts of interest:

• May be financial (where an interested party benefits financially directly or indirectly) or non-financial (e.g., seeking preferential treatment, using confidential information);

• Include actual conflicts (where a real act, event or transaction has occurred), potential conflicts (e.g., when an employee or his/her immediate family member(s) may receive benefits or profit directly or indirectly), and perceived conflicts (e.g., where the nature and circumstances of the event or transaction would lead a prudent person to believe a conflict exists or may exist);

• Include organizational conflicts of interest that occur because of relationships with a parent, affiliate or subsidiary organization. Due to interconnected nature of program operations, processes, and benchmarks, a non-Federal entity like OEL is unable (or may appear to be unable) to operate on an independent or impartial basis in conducting a procurement action involving a related organization, such as an ELC or other OEL sub recipient.

All persons covered by the policy must sign a "Conflict of Interest Disclosure Statement" annually and receive periodic training on the policy. The statement shall not modify the obligation for members to report actual, potential and/or perceived conflicts, as they arise.

Policy Enforcement:

Employees found to have violated these policies and procedures will be subject to appropriate disciplinary action, up to and including termination of employment.

The Board of Directors Chairperson is ultimately responsible for immediate interpretation, application and enforcement of this policy and procedures. All complaints concerning a possible
violation shall be made in writing to or by the Chairperson. The Chairperson shall make an initial determination of the issue and shall attempt initial resolution of the problem. If this initial attempt at resolution is not successful, the Chairperson shall appoint an ad-hoc committee composed of three board members to investigate the alleged violation. The ad-hoc committee is required to investigate, as required, and submit a written report to the chairperson within 30 days. The Chairperson will render his/her decision within ten days of receiving the ad-hoc committee’s report. The Chairperson’s decision may be appealed in writing to the full Board for consideration at the Board’s next regular meeting at the organization’s next regular scheduled meeting for a final decision. The final decision shall be delivered in writing to the alleged violator.

**Delegation and Penalties**

Should the chairperson be the subject of a written complaint, the vice chair shall perform the duties normally assigned to the chair in this matter. Penalties imposed for breach of the code of ethics may include, but are not limited to, the following:

- Excluding the board member from portions of all future meetings and discussions which relate to the stated conflict of interest, and/or
- Censure of the member, in private, in public, or both, and/or
- Removal of the member from office by a resolution passed by a vote of two-thirds of the members voting at an annual or special general meeting of the not-for-profit organization’s Board of Directors, provided that notice of such a proposed resolution is given with the notice calling the meeting.

Any person that violation this policy would also be liable for the excess benefit, in accordance with IRS Code 4958, regarding inurement/private benefit for charitable organization and intermediate sanction.

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Board Chair __________________________________________ Date Signed __________

CEO __________________________________________ Date Signed __________
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**Reporting Procedures:**

All persons covered by this policy in which there is an actual or perceived conflict of interest, shall provide written notification to the Board Chair, as soon as they arise. The Chair will review, investigate and either resolve the actual, potential or perceived conflict and so advise the reporter in writing, or bring the matter to the Board, Advisory Committee or designated Executive Committee for resolution. Minutes of the board meetings shall reflect when a board member discloses that he or she has a conflict of interest and how the conflict was managed, such as that there were discussion on the matter without the board member in the room and that a vote was taken, but the subject board member abstained. Any matter that is brought to either the Board, Advisory Committee or the designated Executive Committee, which involves a member of any of these voting bodies, will abstain from voting when a conflict matter. The final resolution should be submitted in writing and included in the committee minutes.
Conflict of Interest Disclosure Statement

I, ________________________________, have read and understand the provisions of the Early Learning Coalition of Manatee County Conflict of Interest Policy. I hereby affirm that the following affiliations may represent a potential conflict of interest.

Business and professional affiliations, in which I or an immediate family member hold as an owner, office, board member, partner, employee or other beneficiary position at some point:

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Other not-for-profit organization with which a family member or I are associated and which might reasonably expect to apply for a grant or funding from the Early Learning Coalition of Manatee County:

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Other activities that may produce a potential conflict of interest:

________________________
Signature

________________________
Date

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September 16, 2015