CONFLICT OF INTEREST POLICY

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;
- 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.

Certain persons are considered as not being in a position to exercise substantial influence, based on facts and circumstances, as defined in the IRS Intermediate Sanctions-Substantial Influence code.

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

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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, proprietor, 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

All persons covered by the policy must sign a "Conflict of Interest Disclosure Statement" annually. 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

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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 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.

**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 resolves the actual, potential or perceived conflict and so advises the reporter in writing, or brings 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 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.

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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:

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