# BROWARD EDUCATION FOUNDATION
## Conflict of Interest Policy

Article I. ***Purpose.*** This Conflict of Interest Policy (**"Policy"**): (a) protects the interests of the Broward Education Foundation, a Florida not-for-profit corporation (**"Foundation"**), when the Foundation contemplates entering into a transaction or arrangement that might: (i) benefit the private interest of any Influential Person; or (ii) result in a possible Excess Benefit Transaction; and (b) supplements without replacing any applicable state or federal law governing Conflict of Interests applicable to nonprofit and charitable organizations.

Article II. ***Definitions.***

Section 2.01 **Certain Defined Terms.** As used herein, the following terms have the following meanings: (a) **"Disqualified Person"** means any person who was in a position to exercise substantial influence over the affairs of the Foundation at any time during the Lookback Period, whether or not such person actually exercised such substantial influence; and (b) **"Excess Benefit Transaction"** means a transaction in which an economic benefit is provided by the Foundation, directly or indirectly, to or for the use of a Disqualified Person, and the value of the economic benefit provided by the Foundation in such transaction exceeds the value of the consideration received by the Foundation in such transaction; and (c) **"Lookback Period"** means the five-year period before the applicable Excess Benefit Transaction occurred.

Section 2.02 **Bylaw Terms.** Capitalized terms used but not defined herein and defined in the Foundation's bylaws (**"Bylaws"**) have the same meanings assigned to such terms in the Bylaws unless the context in which such terms are used herein clearly requires a different meaning.

Section 2.03. **Interpretation.** In this Policy, unless the context otherwise requires: (a) the terms **"hereby," "hereof," "herein," "hereunder,"** and any similar term used in this Policy, refer to this Policy as an entirety; (b) the term **"including"** is not limiting, and the term **"or"** has, except where otherwise indicated, the inclusive meaning represented by the phrase **"and/or"**; (c) words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa; and (d) words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

Article III. ***Procedures.***

Section 3.01. **Annual Disclosure.** Each Influential Person shall sign a Conflict of Interest disclosure form annually that sets forth any actual or potential Conflicts of Interest involving such person. No contract or other transaction between an Influential Person or any of their Affiliates or Relatives and the Foundation where such Influential Person has an actual or potential Conflict of Interest is void or voidable due to such Conflict of Interest if: (a) the potential or actual Conflict of Interest had been disclosed to the Board of Directors; and (b) such contract or transaction is (i) approved by a majority

of the Members (excluding the Members with the Conflict of Interest) at a meeting where a quorum is attained, or (ii) fair and reasonable to Foundation at the time Foundation enters into it.

Section 3.02. **Duty to Disclose.** In connection with any actual or possible Conflicts of Interest, an Influential Person must disclose the existence of the financial interest and all material facts to the Members and Committee Members considering the proposed transaction or arrangement. The mere existence of a relationship with an outside firm does not create a Conflict of Interest. However, if any Influential Person has any influence on any material business transaction of the Foundation, it is imperative that he or she discloses to the Board of Directors as soon as possible the existence of any actual or potential Conflict of Interest so the Board of Directors can establish safeguards to protect the parties.

Section 3.03. **Determining Whether a Conflict of Interest Exists.** After disclosing financial interest and any material facts, and after any discussions between the Members and such Influential Person, such Influential Person shall leave the Board of Director's meeting while the Board of Directors discuss and vote on such Conflict of Interest. The Members or remaining Members, as applicable, shall decide if a Conflict of Interest exists.

Section 3.04. **Procedures for Addressing the Conflict of Interest.**

(a) An Influential Person may make a presentation at a Board of Director's Meeting concerning a Conflict of Interest, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible Conflict of Interest to the extent permitted by law.

(b) The Board of Directors shall, if appropriate, appoint a non-Influential Person or Committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Board of Directors shall determine whether the Foundation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person that does not have a Conflict of Interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board of Directors (not including any Influential Persons who have a Conflict of Interest with respect to the applicable matter) shall determine, by a majority vote, whether the transaction or arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board of Directors shall make its decision as to whether to enter into the transaction or arrangement.

Section 3.05. **Violations of the Conflicts of Interest Policy.**

(a) If any Member or Committee Member has reasonable cause to believe an Influential Person has failed to disclose actual or possible Conflicts of Interest, he/she shall inform the Board of Directors of the basis for such belief and afford such Influential Person the opportunity to explain the alleged failure to disclose.

(b) If, after hearing such Influential Person's response and after making further investigation as the circumstances warrant, the Board of Directors determines such Influential Person 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 such Board of Director meetings shall contain:

Section 4.01. The names of the persons who disclosed or were otherwise found to have a financial interest in connection with an actual or possible Conflict of Interest, the nature of the financial interest, any action taken to determine whether a Conflict of Interest was present, and the Board of Director's decision as to whether a Conflict of Interest in fact existed.

Section 4.02. The names of the 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.***

Section 5.01. A Member who receives compensation, directly or indirectly, from the Foundation for services may not vote on matters pertaining to that Member's compensation.

Section 5.02. Notwithstanding the foregoing, Members whose jurisdiction includes compensation matters and who receive compensation, directly or indirectly, from the Foundation, individually or collectively, may provide information either to the Board of Directors or any Committee regarding compensation.

Article VI. ***Annual Statements.*** Each Influential Person shall annually sign a statement that affirms such person:

Section 6.01. Has received a copy of the Policy;

Section 6.02. Has read and understands the Policy;

Section 6.03. Has agreed to comply with the Policy; and

Section 6.04. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII. ***Periodic Reviews.*** The Foundation shall conduct periodic reviews to ensure it: (a) operates in a manner consistent with its charitable purpose; and (b) does not engage in activities that could jeopardize its tax-exempt status. These periodic reviews shall, at a minimum, include the following subjects:

Section 7.01. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

Section 7.02. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation'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.

Article VIII. ***Use of Outside Experts.*** When conducting the periodic reviews as provided for in **Article VII**, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility to conduct periodic reviews.

# ANNUAL DISCLOSURE FORM

**THE UNDERSIGNED** hereby certifies to the Broward Education Foundation, a Florida not-for profit corporation (**"Foundation"**), that

1. The Undersigned has: (a) received a copy of the Policy; (b) read and understands the Policy; and (c) agreed to comply with the Policy.

2. The Undersigned understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

3. The attached **Exhibit A** sets forth any actual or potential Conflicts of Interest involving the Undersigned and the Undersigned's Affiliates and Relatives.

4. Capitalized terms used but not defined herein and defined in the Foundation's bylaws (**"Bylaws"**) have the same meanings assigned to such terms in the Bylaws unless the context in which such terms are used herein clearly requires a different meaning.

**IN WITNESS WHEREOF,** the Undersigned signs this Annual Disclosure Form to be effective as of the set forth below.

Date:_____

_____

Print Name:_____