

OP203 Conflict of Interest

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The Coalition's Conflict of Interest Policy is a compilation of policies as it pertains to (but not limited to) each of three aspects of the Coalition's business processes: Personnel, Accounting and Financial, and Procurement of Goods or Services. Annually, Coalition board members and employees are required to review, complete, and sign the Coalition's Conflict of Interest Questionnaire.

Personnel

Employees and board representatives have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Coalition wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation.

The Coalition adheres to the highest legal and ethical standards applicable in our business. The Coalition business is conducted in strict observance of both the letter and the spirit of all applicable laws and the integrity of each employee are of the utmost importance.

Employees of the Coalition shall conduct their personal affairs in such a fashion that their duties and responsibilities to the Coalition are not jeopardized and/or legal questions do not arise with the respect to their association or work with the organization.

An actual or potential conflict of interest occurs when an employee or board representative is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of the Coalition's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which the Coalition does business, but also when an employee or relative receives bribes, substantial gifts, or special consideration, as a result of any transaction or business dealings involving the Coalition.

Outside Employment/Conflict of Interest Questionnaire

Employees may hold outside jobs as long as they meet the performance standards of their job with the Coalition. All employees will be judged by the same performance standards and will be subject to the Coalition's scheduling demands, regardless of any existing outside work requirements.

If the Coalition determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Coalition as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with the Coalition.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside the Coalition for materials produced or services rendered while performing their jobs with the Coalition.

Employees who have their own businesses must disclose such interest to the company in accordance with its conflicts of interest policy. Generally, the Coalition will not purchase from a business owned by one of its employees.

Each year, employees and board members must complete a conflict of interest questionnaire.

Accounting and Financial

Introduction

In the course of business, situations may arise in which the Coalition decision-maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All board members, the C.E.O., and employees have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of the Coalition in dealing with outside entities or individuals,
2. Disclose real and apparent conflicts of interest to the Board of Directors, and
3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.

What Constitutes a Conflict of Interest?

A potential conflict of interest arises when a board member, C.E.O. or employee involved in making a decision:

- Is, or has an immediate family member, or owns a business entity in a position to benefit (directly or indirectly) from his/her dealings with the Coalition or person conducting business with the Coalition.
- Has direct or indirect ownership of more than five (5) percent of the **total assets or capital stock**, cumulatively, of one or more of the proscribed sources of income. “Proscribed sources of income” are derived from interests in the design or delivery of the VPK or SR program.
- During the prior two (2) years, more than five (5) percent of the **gross income** of the coalition member, relative, or owned business entity was derived, cumulatively, from one or more proscribed sources of income.
(For more information please refer to paragraphs (1)(d) 1. and 2. and (e) of Florida Administrative Code 6M-9.110 “Requirements and Criteria for Early Learning Coalition Composition” dated 03/29/15).

The Coalition defines an “Immediate Family Member” the same as Florida Statute defines “relative” in the next section. -

Voting Conflicts Florida Statute s. 112.3143(1)(c) defines “Relative” as:

Any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

Examples of conflicts of interest include, but are not limited to, situations in which a board member, the C.E.O., or an employee:

1. Negotiates or approves a contract, purchase/sale, or lease on behalf of the Coalition and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;
2. Employs or approves the employment of, or supervises a person who is an immediate family member of a board member, C.E.O., or employee;
3. Sells products or services in competition with the Coalition;
4. Uses the Coalition’s facilities, other assets, employees, or other resources for personal gain;
5. Receives a substantial gift from a vendor, if the board of Directors, C.E.O., or employee is responsible for initiating or approving purchases from that vendor.

Procurement of Goods or Services

Conflict of Interest

Conflict of interest refers to actions or decisions that are not in the best interests of the Coalition. These may include, but are not limited to:

1. Performing non-company work during regular work hours.
2. Use of company techniques, materials, equipment, supplies and/or employees for personal or non-company reasons or projects.
3. Involvement in agreements or contracts with suppliers, vendors, job applicants, etc., which result in personal financial gain, reward, special status or personal favors.
4. Using the employee's, board member, or Coalition agent's position with the Coalition to enhance your own position, status or financial gain at the expense of, or to the detriment of the Coalition.
5. Officers, employees, and agents soliciting or accepting gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, acceptable situations are those in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. *Reference 2 CFR Part 200.318 (c)(1)*.
6. 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 DEL 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 DEL sub-recipient. *Reference 2 CFR Part 200.318(c)(2)*.

If the employee, board member, or Coalition agent is not sure about a situation, it is their responsibility to talk with the C.E.O. to clarify their role and the Coalition's position regarding their situation. Where conflict of interest is clearly present, it is the employee's, board member's, or Coalition agent's responsibility to act in the best interests of the Coalition in handling the situation and to report the resolution of the problem to management.

For more details on requirements for Related Party activities and Voting Conflicts, please see Coalition policy #PR401.

Disclosure Requirements

The board member, C.E.O. or employee who believes that he/she may be perceived as having a conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure [2 CFR Part 200.112, 200.318(c)(2) and s. 1002.84(21), F.S.].

Therefore, the Coalition requires the following:

1. On an annual basis, all members of the Board of Directors, the C.E.O., and employees with purchasing and/or hiring responsibilities or authority shall inform, in writing, the C.E.O. and the chair of the Board of Directors, of all reportable conflicts.
2. Prior to the preparation of the disclosure statements, the accounting department shall distribute a list of all vendors with whom the Coalition has transacted business at any time during the preceding year, along with a copy of the disclosure statement, to be completed by the first Board meeting of each fiscal year. In addition, each person completing the disclosure statement will be asked to list the names of all businesses that he/she (or any member of her/his immediate family) are affiliated with, that it is possible the Coalition may consider for future business dealings.
3. The C.E.O. shall review all forms completed by employees, and the Executive/Administrative Committee shall review all forms completed by Board of Directors and the C.E.O., and determine appropriate resolution in accordance with the next section of this policy, if applicable.
4. If a conflict arises during the year, the employee or board member will immediately notify the C.E.O. who will determine appropriate resolution.

Resolution of Conflicts of Interest

All real or apparent conflicts of interest shall be disclosed to the Executive/Administrative Committee and the C.E.O. of the Coalition. Conflicts shall be resolved as follows:

- The C.E.O. shall be responsible for making all decisions concerning resolutions of conflicts involving employees, subject to the approval of the Executive/Administrative Committee.
- The Executive/Administrative Committee shall be responsible for making all decisions concerning resolutions of conflicts involving the C.E.O. and other members of the board.
- The chair of the committee shall be responsible for making all decisions concerning resolutions of conflicts involving the Executive/Administrative Committee members.
- The full board shall be responsible for making all decisions concerning resolutions of the conflict involving the chair of the Executive/Administrative Committee.

The Board of Directors, C.E.O., or Coalition employees may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- An appeal must be directed to the chair of the board
- Appeals must be made within 30 calendar days of the initial determination
- Resolution of the appeal shall be made by vote of the full Board of Directors
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the board

Disciplinary Action for Violations of this Policy

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Coalition or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any board member or C.E.O. who attempts to retaliate, directly or indirectly, or encourages others to do so against any employee who reports a violation of this policy.

A board member who violates this policy will be removed from the board.

For more details on state statutory instructions, please refer to DEL's Program Guidance, *Related Party Disclosures*.

For more information on conflicts of interest:

- See the Florida Commission on Ethics *Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees*.
- See the Florida Commission on Ethics *Overview of Laws relating to Gifts*.
- See the Florida Commission on Ethics *Overview of Laws relating to Honoraria*.
- See DEL's Uniform Guidance 2 CFR Part 200, Policy updates for Conflicts of Interest

Early Learning Coalition of North Florida, Inc.

Employee and Board Member

Conflict of Interest Questionnaire

Each year, employees and board members must complete a conflict of interest questionnaire.

At the Early Learning Coalition, our reputation for integrity is one of our most valuable assets and is directly affected by the conduct of our employees. For this reason, employees and Board members must not use their position for private gain, to advance their personal interests, or to obtain favors or benefits for themselves, members of their immediate families*, or any other individuals or business entities. This includes Board members abstaining from voting on a matter when an item is presented for a vote that will directly affect that Board member, his/her employees, or another organization the Board member is involved with. The following **questions** are designed to protect you as an employee or a Board member of the Early Learning Coalition, and to comply with the federal and state mandates under which we operate. We appreciate your cooperation in completing this form.

Employees Only:

Are you currently employed with another employer other than the Early Learning Coalition?

Yes No

If yes, please list each employer, as well as the days and the hours that you are scheduled to work:

Employees **and** Board Members:

1. **Are you** related to any of the current employees of the Early Learning Coalition? Yes No

If yes, list each relative's name and his/her relationship to you.

2. **Are you** related to any of our providers who utilize any of our services? Yes No

If yes, please list the provider's business name(s) here:

3. **Are you**, or any member of your immediate family, related to any of the vendors listed on the attached vendor list?

If so, please list the name(s) of the vendor(s) here:

4. **Please list** the names of all businesses that you, or any member of your immediate family, are affiliated with, that it is possible the Coalition may consider for future business dealings:

5. **Do you own your own business?** Yes No
If yes, please provide the name, address, and nature of your business.

I understand that by signing this form:

- I will abide by these guidelines and all aspects of the **Coalition’s Conflict of Interest Policy, #OP203.**
- I have reviewed the annual list of current Coalition vendors for any potential conflict of interest, and have no potential conflict of interest to report.
- I have listed all business organizations that I, or any member of my immediate family, am affiliated with that would cause a conflict of interest when participating in future Coalition business decisions.

Name and Title (please print)

Signature

Date

* see definition of “Immediate Family” in Policy #OP203