Conflict of Interest Policy

Policy on Conflicts of Interest and Disclosure of Certain Interests

The Florida Memorial University is a non-profit, tax exempt organization. Maintenance of its tax–exempt status is important for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of the Florida Memorial University as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between the Florida Memorial University and its board, officers and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers and management employees have the responsibility of administering the affairs of the Florida Memorial University honestly and prudently, and of exercising their best care, skill and judgment for the sole benefit of the Florida Memorial University. Those persons shall exercise the utmost good faith in all transactions involved with their duties and they shall not use their positions with Florida Memorial University or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

This conflict of interest policy is designed to help directors, officers and employees of the Florida Memorial University identify situations that present potential conflicts of interest and to provide Florida Memorial University with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with the procedure prescribed in Florida Statutes, Section 317A.255, governing conflicts of interest for directors of nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in section 317A.255, the statute shall control. All capitalized terms are defined in Part 2 of this policy.

1. Conflict of Interest Defined. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest

   • Outside Interests.
a. A Contract or Transaction between Florida Memorial University and a Responsible Person or Family Member.

b. A Contract or Transaction between Florida Memorial University and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

- Outside Activities.
  a. A Responsible Person competing with Florida Memorial University in the rendering of services or in any other Contract or Transaction with a third party.
  b. A Responsible Person’s having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with Florida Memorial University in the provision of services or in any other Contract or Transaction with a third party.

- Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:
  a. does or is seeking to do business with, or is a competitor of Florida Memorial University; or
  b. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from Florida Memorial University;
  c. is a charitable organization operating in Florida; under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of Florida Memorial University.

2. Definitions
• A “Conflict of Interest” is any circumstance described in the definition of this Policy (above).

• A “Responsible Person” is any person serving as an officer, employee or member of the Board of Directors of Florida Memorial University.

• A “Family Member” is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

• A “Material Financial Interest” in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s or Family Member’s judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.

• A “Contract or Transaction” is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or any organization that the Florida Memorial University might receive resources from or direct resources to. The making of a gift to Florida Memorial University is not a Contract or Transaction.

3. Disclosure Policy and Procedures. Transactions with parties with whom a conflict interest exists may be undertaken only if all the following are observed:

• A prepared written statement describing the matter requiring action or decision and the nature of the potential conflict of interest is provided; an

• Copies of the statement are delivered to the board chair or executive director for distribution to the board; an

• The person with the Conflict of Interest is excluded from the discussion on and approval of such transaction; an

• The person with the potential Conflict of Interest does not attempt to exert his or her personal influence on other board members with respect to the matter, either at or outside the meeting

• A competitive bid or comparable valuation exists, if available; an

• The [board or duly constituted committee thereof] has determined that the transaction is in the best interest of the Florida Memorial University.
Disclosure involving directors should be made to the board chair (or if she or he is the one with the conflict, then to the board vice–chair) who shall bring the matter to the [board or duly constituted committee thereof]. Disclosure in the organization should be made to the executive director (if she or he is the one with the conflict, then to the board chair) who shall bring the matter to the attention of the [board or duly constituted committee thereof].

The [board or duly constituted committee thereof] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and in the best interests of the Florida Memorial University. The decision of the [board or duly constituted committee thereof] on these matters will rest in their sole discretion, and their concern must be the welfare of the Florida Memorial University and the advancement of its purpose.

The person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of Florida Memorial University has a Conflict of Interest when he or she stands for election as an officer or for re–election as a member of the Board of Directors.


Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of Florida Memorial University. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Florida Memorial University for the personal profit or advantage of the Responsible Person or a Family Member.

5. Review of policy

- Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so
Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to Florida Memorial University. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.