



Better Schools are Everybody's Business

Conflict of Interest Policy Adopted by Board of Directors June 20, 2024

PURPOSE

The purpose of the Conflict of Interest Policy is to protect the interests of The Indian River Education Fund (Ed Fund) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, Officer, Committee Member or Key Employee or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and/or federal laws governing conflict of interest applicable to tax-exempt corporations and/or not for profit corporations.

DEFINITIONS

Director - A member of the Board of Directors of Ed Fund ("Board").

Officer - The Chairperson, Vice-Chair, Secretary, Treasurer, or any other office of Ed Fund.

Committee Member - Member of a committee with Board delegated powers.

Key Employee – Any individual as designated as such by the Board on an annual basis. Additionally, a key employee includes an individual who meets the Internal Revenue Service definition of "key employee," which states that a key employee is an employee, other than an officer, director, or trustee, who (1) receives reportable compensation in excess of \$150,000 for the applicable calendar year (the "\$150,000 test"); (2) has or shares organization-wide control or influence similar to that of an officer, director or trustee, or managed or had authority or control over at least 10% of Ed Fund's activities (the "responsibility test"); and (3) is one of the top 20 highest paid employees for the calendar year who satisfied both the \$150,000 test and the responsibility test.

Interested Person – Any Director, Officer, Committee Member or Key Employee, who has or may have a direct or indirect financial interest, as defined below, is an interested person.

Financial Interest – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which Ed Fund or with any entity or individual with which Ed Fund has a transaction or arrangement, or
- b. A compensation arrangement with Ed Fund or with any entity or individual with which Ed Fund has a transaction or arrangement, or
- c. A potential ownership or investment in, or compensation arrangement with any entity or individual with which Ed Fund is negotiating a transaction or arrangement.

- d. Compensation includes direct and indirect remuneration, as well as gifts or favors that are not substantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

PROCEDURES

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person *must promptly* disclose the existence and material facts of the financial interest to the relevant Committee Chair and Board Chair. The duty to disclose applies to whether a person is present or not at the meeting where they have reason to believe that action on the matter in which the person has an actual or possible conflict of interest will occur.

2. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the Board or committee meeting, 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.
- b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether Ed Fund can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to 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 or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Ed Fund's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
- e. Any committee or Board member may recuse themselves at any time from the involvement in any decision or discussion in which he/she believes he/she may have a conflict of interest with the Interested Party.

3. Notification – Violations of Conflicts of Interest Policy

- a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate and corrective action.

RECORDS OF PROCEDURE

The minutes of the Board and all committees with Board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were 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 governing Board's or committee's decision as to whether a conflict of interest in fact existed.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate and corrective action.

COMPENSATION

- a. A voting member of the Board who receives compensation, directly or indirectly, from Ed Fund for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Ed Fund for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Ed Fund, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ANNUAL STATEMENTS

Each director, officer, committee member, and key employee shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflict of Interest Policy
- b. Has read and understands this Policy
- c. Has agreed to comply with the Policy
- d. Has been in compliance with the Policy

PERIODIC REVIEWS

To ensure Ed Fund operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

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

- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to Ed Fund'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, which can include removal from Ed Fund.

USE OF OUTSIDE ADVISORS

Ed Fund may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ACKNOWLEDGEMENT OF RECEIPT, REVIEW, AND ACCEPTANCE OF CONFLICT OF INTEREST POLICY

I, _____, who holds the position of staff employee with Ed Fund, hereby acknowledge receipt of the Ed Fund's Conflict of Interest Policy. I have read and understand the Policy and further understand that Ed Fund is a 501(c) (3) organization 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. As a material condition of my employment and/or acceptance of Board membership, I hereby accept and agree to be bound by the terms and conditions of the Policy. By my signature, I further attest that I am in compliance with this Policy.

Date

Signature

Name Printed