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<input type="checkbox"/> Executive Directive	Revised: N/A
<input type="checkbox"/> Procedure	
Approved:	

**Florida Development Finance Corporation (FDFC)
 Conflict of Interest Policy & Annual Statement for FDFC Board Members and Officers**

Background & Purpose

FDFC is subject to Florida Statutes regarding transactions between FDFC and organizations that are represented by FDFC Board Members or where a family or business relationship might present a perceived conflict of interest. As such, the conflict of interest policy is to protect FDFC's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a FDFC Board Member or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to non-profit organizations.

Definitions

1. **Interested person** -- Any FDFC Board Member, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **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 FDFC has a transaction or arrangement,
 - b. A compensation arrangement with FDFC or with any entity or individual with which FDFC has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which FDFC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. 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 FDFC Board decides that a conflict of interest exists, in accordance with this policy.

3. **Independent FDFC Board Member** -- A FDFC Board member shall be considered "independent" for the purposes of this policy if he or she is "independent" as defined in the instructions for the IRS 990 form or, until such definition is available, the FDFC Board member --
 - a. is not, and has not been for a period of at least three years, an employee of FDFC or any entity in which FDFC has a financial interest;
 - b. does not directly or indirectly have a significant business relationship with FDFC, which might affect independence in decision-making;

- c. is not employed as an executive of another corporation where any of FDFC's executive officers or employees serve on that corporation's compensation committee; and
- d. does not have an immediate family member who is an executive officer or employee of FDFC or who holds a position that has a significant financial relationship with FDFC.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board.

2. Recusal of Self

Any FDFC Board Member may recuse himself/herself at any time from involvement in any decision or discussion in which the FDFC Board Member believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the FDFC Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

4. Addressing the Conflict of Interest

- a. An interested person may make a presentation at the FDFC Board meeting, but after their presentation may not participate in additional discussion or vote on the transaction or arrangement involving the possible conflict of interest.
- b. The Chairperson of the Board 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 shall determine whether FDFC 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 shall determine by a majority vote of the disinterested FDFC Board Members whether the transaction or arrangement is in FDFC'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.

5. Violations of the Conflicts of Interest Policy

- a. If the Board 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 FDFC Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the FDFC 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 Board's decision as to whether a conflict of interest in fact existed.
- b. 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.

Annual Statements

Each FDFC Board Member, principal officer and member of a committee with Board delegated powers 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 the policy,
- c. Has agreed to comply with the policy, and
- d. Understands FDFC 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.

Each member of the Board shall annually sign a statement which declares whether such person is an independent FDFC Board Member. If at any time during the year, the information in the annual statement changes materially, the FDFC Board Member shall disclose such changes and revise the annual disclosure form.

Periodic Reviews

To ensure FDFC 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 (if reasonably available), and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to FDFC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

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