

FLORIDA STATE UNIVERSITY SCHOOLS
POLICY MANUAL
STUDENTS
CHAPTER 2

2.201

CONFLICT OF INTEREST POLICY

1. Purpose. As the Florida State University Schools, Inc., has been organized and is in existence for a public benefit and is funded through public funding, it is obligated at all time times to promote the public interest, and to avoid conflicts of interest. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations. It is also intended to serve as a guide for FSUS's Board of Directors with respect to conflicts of interest and voting conflicts pursuant to Florida law pertaining to charter school governing boards.
2. Definitions.
 - a. Financial Interest. A "Financial Interest" is an interest held by a Board member or Relative, which can be described as one or more of the following:
 - i. An ownership or investment interest in any entity with which FSUS has a contractual, pecuniary, or other arrangement;
 - ii. A Compensation Arrangement with any entity or individual with which FSUS has a contractual, pecuniary, or other arrangement; or
 - iii. An existing or potential ownership or investment interest in, or Compensation Arrangement with, any entity or individual with which FSUS is negotiating a contractual, pecuniary, or other arrangement.
 - b. A Financial Interest need not be held as of the date of discussion or action by the Board; rather, it is sufficient, for purposes of this Policy, if, as of the date of discussion or action by the Board, the Board member intends, or understands it to be more probable than not, that they will acquire a Financial Interest at any time during the pendency of the proposed transaction or arrangement that is the subject of discussion or action by the Board.

- c. Relative. For purposes of this Policy, unless otherwise provided herein, and pursuant to Section 112.3143, Florida Statutes, a “Relative” means any spouse, domestic partner, parent, grand parent, child, step-child, grandchild, sibling, mother-in-law, father-in-law, of Board member.
 - d. Other Interest. An “Other Interest,” for purposes of this Policy, is any circumstance in which a Board member may be influenced, or may appear to be influenced, either in whole or in part by any purpose or motive other than the success and well-being of FSUS as a whole and the achievement of its mission and purposes (e.g., a motive that is private to the Board member) that does not otherwise constitute a Financial Interest. An “Other Interest” may also be an interest set forth in Section 9, below, that does not otherwise constitute a Financial Interest.
 - e. Compensation Arrangement. A “Compensation Arrangement” is any agreement or understanding pursuant to which a Board member may or shall receive either directly or indirectly, money or property from another person or entity, irrespective of whether such money or property is paid in consideration for the performance of services or the provision of other value.
 - f. Conflict of Interest. With respect to a matter for discussion or action by the Board, any circumstance under which an Board member, by virtue of a Financial Interest or Other Interest, may be influenced, or may appear to be influenced, either in whole or in part by any purpose or motive other than the success and well-being of FSUS and the achievement of its mission and purposes.
3. Disclosure of Financial or Other Interest.
- a. If, at any time, a Board member becomes aware that the Board may or shall discuss or act upon any transaction or arrangement which may have any bearing of any kind upon, or may relate in any manner to, a Financial or Other Interest of the Board member, such Board member shall disclose such Financial or Other Interest to the Board in one of the following ways:
 - i. The Board member shall provide to the Board’s Legal Counsel, in advance of such discussion or action by the Board, written (electronic or hard copy) disclosure of the existence, nature and extent of the Board member’s Financial or Other Interest. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the Board, and shall be read publicly at the next meeting held subsequent to the filing of the written memorandum.

- ii. The Board member shall verbally inform the Board of the existence, nature and extent of the Board member's Financial or Other Interest during the Board meeting in advance of such discussion or action by the Board. A written memorandum disclosing the nature of the conflict shall then be filed within 15 days after the oral disclosure with the person responsible for recording the minutes of the meeting and shall be incorporated into the minutes of the meeting at which the oral disclosure was made. Any such memorandum shall become a public record upon filing, shall immediately be provided to the other members of the agency, and shall be read publicly at the next meeting held subsequent to the filing of this written memorandum.
 - b. Any and all disclosures shall be made a formal part of the minutes of the Board.
 - c. In the event that a Board member provides written disclosure of such Board member's Financial or Other Interest, no member of the Board may respond to such disclosure, either in writing or orally, except in a meeting that meets the requirements of Florida's Sunshine Law.
 - d. Should the disclosure also meet the criteria set forth in section 9.d. below for voting conflicts, the Board member shall abstain from voting and otherwise follow the requirements set forth in that section.
4. Recusal by Board member. In connection with a Board member's disclosure of a Financial or Other Interest pursuant to Section 3.1, the Board member may voluntarily recuse themselves from discussion and action by the Board, at such time and in such form as is used by the Board member to disclose such Financial or Other Interest pursuant to Section 3.1, above. Such recusal would only be permissible if recusal is a permissible action pursuant to Florida law with respect to the particular Financial or Other Interest of the Board member. Where a Board member discloses a Financial Interest that also meets the criteria set forth in section 9.d., below, that Board member shall recuse themselves.
5. Determination of Conflict of Interest.
- a. Where a Board member has disclosed a Financial or Other Interest but has not voluntarily recused themselves from discussion of or action upon the proposed transaction or arrangement, the Board shall, prior to commencing its discussion or taking action, determine whether the Financial or Other Interest creates a Conflict of Interest, as defined above. The disclosing Board member shall not participate in any discussions or vote related to this determination, except to the extent necessary to fully explain the Financial or Other Interest and the manner in which the

proposed transaction or arrangement to be discussed or acted upon by the Board may or will bear upon or relate to the Financial or Other Interest.

- b. Exceptions. Pursuant to Section 112.313(12), Florida Statutes, the Board may consider the following exceptions in determining whether a conflict of interest should be waived:
 - i. The transaction or arrangement is awarded under a system of sealed, competitive bidding to the lowest or best bidder and:
 - 1. The Board member or the Board member's spouse or child has in no way participated in the determination of the bid specifications or the determination of the lowest or best bidder;
 - 2. The Board member or the Board member's spouse or child has in no way used or attempted to use the Board member's influence to persuade the agency or any personnel thereof to enter such a contract other than by the mere submission of the bid; and
 - 3. The Board member, prior to or at the time of the submission of the bid, has filed a statement with the Commission on Ethics, disclosing the Board member's interest, or the interest of the Board member's spouse or child, and the nature of the intended transaction or arrangement.
 - ii. The purchase or sale is for legal advertising in a newspaper, for any utilities service, or for passage on a common carrier.
 - iii. The business entity involved is the only source of supply and there is full disclosure by the Board member of their interest in the business entity to the Board prior to the purchase, rental, sale, leasing, or other business being transacted.
 - iv. The total amount of the transactions in the aggregate between the business entity and the FSUS does not exceed \$500 per calendar year.
 - v. The fact that a Board member is a stockholder, officer, or director of a bank will not bar such bank from qualifying as a depository of funds, provided it appears in the meeting minutes of the FSUS that the Board has determined that such Board member has not favored such bank over other qualified banks.
 - vi. The Board member purchases in a private capacity goods or services, at a price and upon terms available to similarly situated members of the general public, from a business entity which is doing business with the FSUS.

6. Procedures Upon Determination of Conflict of Interest.

- a. Exclusion from Discussion and Vote. In circumstances where the Board has determined that a Conflict of Interest exists, the disclosing Board member shall not participate in any discussion or vote regarding the transaction or arrangement at issue.
 - b. Action by Board. With respect to any transaction or arrangement with regard to which the Board has determined that a Conflict of Interest exists, the Board shall discuss such transaction or arrangement as appropriate, but shall not formally approve such transaction or arrangement unless and until the non-interested members of the Board have decided, by majority vote, that the transaction or arrangement is in the best interests of, and for the benefit of, the FSUS, and is fair and reasonable thereto in all respects.
- 7. Annual Disclosure and Acknowledgment.
 - a. At the first meeting of the Board subsequent to the annual election of members of the Board, or, if elected less frequently, then at least once per year, each member of the Board shall sign a written statement disclosing all known Conflicts of Interest and certifying to all of the following:
 - i. They have read, understands and has agreed to comply with this Policy;
 - ii. They understand that this Policy governs their membership on the Board;
 - iii. They understand that this Policy applies to all committees having board-delegated powers; and
 - iv. They understand that Florida State University Schools, Inc., is a tax-exempt organization and a statutorily created developmental research school and charter school and, in order to maintain these statuses, Florida State University Schools, Inc., must continuously engage primarily in activities which accomplish its mission and purposes.
 - b. Any member of the Board who refuses or fails to complete and sign such a statement shall be prohibited from participating in discussion or action undertaken by the Board.
 - c. Any member of the Board who refuses to sign such a statement after the first meeting of the Board shall be removed from Board membership.
- 8. Failure to Disclose Financial Interests. If it is determined at any time that a Board member has negligently or intentionally failed to disclose a Financial Interest, the Board shall consider the imposition of such sanctions as the Board may deem appropriate, which may include removal from the Board.

9. Other Prohibited Conflicts of Interest.

- a. Prohibition on Solicitation or Acceptance of Gifts. Pursuant to Section 112.313(2), Florida Statutes, no member of the Board shall solicit or accept anything of value to the Board member, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action, or judgment of the Board member would be influenced thereby.
- b. Prohibition on Doing Business with the Organization. Pursuant to Section 112.313(3), Florida Statutes, no employee of the Organization acting in their official capacity as a purchasing agent, or Board Member acting in their official capacity, shall either directly or indirectly purchase, rent, or lease any realty, goods, or services for their own Organization from any business entity of which the officer or employee or the officer's or employee's spouse or child is an officer, partner, director, or proprietor or in which such officer or employee or the officer's or employee's spouse or child, or any combination of them, has a material interest. Nor shall a Board Member or employee, acting in a private capacity, rent, lease, or sell any realty, goods, or services to the officer's or employee's own Organization.
- c. Conflicting Employment or Contractual Relationship. Pursuant to Section 112.313(7), Florida Statutes, no Board member shall have or hold any employment or contractual relationship with any business entity or any agency doing business with the Organization; nor shall a Board member have or hold any employment or contractual relationship that will create a continuing or frequently recurring conflict between their private interests and the performance of their duties as a Board member or that would impede the full and faithful discharge of their duties as a Board member.
- d. Voting Where there is a Conflict of Interest. Pursuant to Section 112.3143, Florida Statutes, no Board member shall vote in an official capacity upon any measure which would inure to their special private gain or loss; which they knows would inure to the special private gain or loss of any principal by whom they is retained or to the parent organization or subsidiary of a corporate principal by which they is retained; or which they knows would inure to the special private gain or loss of a Relative or business associate of the Board member.
- e. Prohibition of Certain Individuals Serving as Governing Board Members. Pursuant to Section 1002.33(26)(c), Florida Statutes, an employee of the charter school overseen by this Organization, or their spouse, or an employee of a charter management organization, or their spouse, shall not be a voting member of the governing board of this Organization.

10. Period Reviews.

- a. To ensure the FSUS operates in a manner consistent with its mission and purposes and does not engage in activities that could jeopardize its on-going operation, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
 - i. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining.
 - ii. Whether transactions or arrangements entered into by the FSUS conform to the FSUS's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its mission and purposes and do not result in personal inurement, impermissible private benefit or in an excess benefit transaction.
- b. When conducting the periodic reviews, the Board may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

STATUTORY AUTHORITY: 1002.33, 617.0832, 112.313, 112.3143, F.S.

HISTORY:

ADOPTED: _____

REVISION DATES: None