



CONFLICT OF INTEREST POLICY

Florida Native Plant Society

The Florida Native Plant Society, Inc. (FNPS) discloses and documents all real or perceived conflicts of interest involving FNPS and related parties. The FNPS addresses such conflicts in a manner that will fully protect the integrity and reputation of both FNPS and the related parties.

I. Purposes

As a public charity, FNPS must strive for the highest standards of professionalism, accountability, and transparency as it pursues its mission and engages in general business relationships. Volunteers and employees of FNPS seek to avoid conflicts of interest whenever possible. The credibility and reputation of FNPS can be damaged if a transaction or arrangement creates the appearance or reality of a conflict of interest. In instances where FNPS determines that a conflict of interest does exist, this policy guides the process to determine appropriate courses of action to mitigate FNPS participation in the conflict.

Employees and members of the FNPS Board of Directors, officers, and other governance bodies serve in the public's interest and are obligated to conduct the organizational affairs in a manner consistent with that role.

The FNPS must ensure that its actions comply with the rules against private inurement and private benefit of the Internal Revenue Service and applicable State of Florida rules and statutes.

II. Definitions

A. Insiders: The following individuals are considered insiders for the purposes of this policy:

1. Any current or former member of the FNPS Board of Directors, officers, Council of Chapters and associated governing committees;
2. Any current or former member of FNPS Chapter Boards of Directors or officers;
3. Any current or former employee of FNPS;

4. Any substantial contributor which is defined as any person, corporation or foundation who has provided financial support to FNPS in excess of \$10,000 or more at any one time, or who has contributed \$50,000, cumulatively, within a 5 year period prior to the occurrence of the conflict;
 5. Any immediate relative or domestic partner of a current or former board or committee member, employee, or substantial contributor: spouse, domestic partner, child, parent, step-parent, in-law, grandchild, grandparent, or sibling;
 6. Any individual who has an ability to influence the decisions of FNPS; and
 7. Any individual with access to information possessed by FNPS that is not available to the general public.
- B. Conflict of Interest: A conflict of interest arises when an insider is in a position, or perceived to be in a position, to benefit financially (or to create a benefit for a family member or another organization with which he or she is associated) by virtue of his or her position with FNPS. A person shall have a potential conflict of interest if, directly or indirectly, through business, investment or family, the individual has:
1. An ownership or investment interest in any property, entity or individual with which FNPS has a transaction or arrangement;
 2. A compensation arrangement with FNPS or with any entity or individual with which FNPS also has a transaction or arrangement; or
 3. A potential ownership, investment interest or compensation arrangement with any entity or individual with which FNPS is negotiating a transaction or arrangement.
- C. Private Inurement: Private inurement results when the assets of a tax-exempt organization come to the benefit of any private shareholder or individual. No part of the net earnings of a section 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.

III. Illustrative Examples

The following are examples of situations that could be problematic and require careful scrutiny and evaluation in accordance with this policy. These examples should not be taken as an exhaustive list of all of the situations that could arise:

- FNPS contracts for services with a board member or the board member's business.

- FNPS hires the daughter of a former board member to fill a FNPS Staff position.
- A major donor asks the FNPS staff or board to consider hiring a relative.
- FNPS sells land or other property to a board member or other related party.
- An FNPS officer, staff or board member uses confidential donor information obtained while working with FNPS to help raise funds for another organization.
- A board member asks if a nephew can use an empty FNPS office to set up his own business.

IV. General Guidelines

All persons associated with or engaging with FNPS shall seek to avoid conflicts of interest between their FNPS duties and other interests or organizations to which he/she have a duty, or to any other activity in which he/she are financially or otherwise interested. Such individuals shall not use their position or knowledge gained during their association with FNPS for their own private benefit, for another organization, nor to obtain an unfair advantage over any aspect of their dealings with FNPS.

V. Obligations of Insiders

- A. Disclosure.** An individual who is a FNPS board or committee member, officer, employee, contractor or other insider shall disclose to the Board of Directors any actual, potential, or perceived conflict of interest when such conflict first becomes apparent or perceived by the individual. Such disclosure must be made in writing and must provide all material facts.
- B. Annual Statements.** Each officer, board and committee member and employee shall also sign a Conflict of Interest Annual Statement upon commencement of his or her term of office or employment, and annually thereafter in conjunction with the beginning FNPS's fiscal year. This Annual Statement shall include, at a minimum, the following certifications: The person has received a copy of the Conflict of Interest Policy, has read the policy, agrees to comply with the policy, and understands that the corporation is a charitable organization and that it must engage primarily in activities which accomplish one or more of its tax-exempt purposes in order to maintain its tax-exempt status. The Annual Statement may also require additional disclosures by the officers, board and committee members and employees in order to identify and document possible conflicts of interest. A copy of the Conflict of Interest Annual Statement is attached hereto as Appendix A.
- C. Abstention.** Each board or committee member, employee, or other insider shall abstain from discussing with another board or committee member or employee any issue, matter, or transaction in which he or she has an actual, potential, or perceived conflict of interest unless

specifically asked by the board, committee, or president to give information on the issue, matter, or transaction. Each board or committee member with an actual, potential, or perceived conflict of interest shall excuse himself or herself from the room during deliberations and votes on the issue, matter, or transaction at hand and shall formally recuse himself or herself at relevant board or committee meetings so that such abstention may be duly recorded in the minutes.

VI. Obligations & Role of the officers, Board of Directors, Committee members and Employees

- A. Subsequent Actions. In the event that a potential conflict of interest is disclosed to the Board, and that the transaction is exclusive, and/or it is determined that the benefits accruing to the organization exceed any conflict of interest concerns, the Board of Directors shall determine by a majority vote of disinterested members whether or not to proceed. The absence of a board member due to conflict of interest shall not be a consideration in determining whether a quorum exists. When a transaction, contract, or project of FNPS involves an actual, potential, or perceived conflict of interest with an insider, the Board shall act to approve such transaction, contract, or project only after making these specific findings:
1. The transaction, contract, or project is fair and benefits FNPS and its objectives and is consistent with its mission and policies;
 2. The transaction, contract, or project is approved with the Board's full knowledge of its financial or other benefit to the insider who has the conflict of interest;
 3. When the insider is a member of the Board of Directors, the director did not participate in the vote approving the transaction, contract, or project and was, in fact, absent both during the discussion of the transaction, contract, or project, and when the Board voted on it; and
 4. A more advantageous and less conflicting arrangement could not have been obtained with reasonable effort.
- B. Independent Review. If a conflict involves contracting for services or other financial transaction for which other options are available, the Board of Directors may choose to appoint a disinterested person and/or committee to evaluate the alternatives.
- C. Resignation. When warranted by the nature and magnitude of a conflict of interest, the Board shall request that a conflicted board or committee member or employee resign.

VII. Violations of Conflict of Interest Policy

Officers, Board and committee members and employees have a duty to FNPS to disclose any conflict of interest related to or arising from a transaction or arrangement. Should any officer, board member, committee member or employee fail to disclose a conflict of interest, then the Board of Directors (or president in certain cases) is empowered to take appropriate disciplinary action against the person and to take corrective action to remedy any harm caused by the conflict of interest. In cases involving employees, FNPS will follow the disciplinary process outlined in the Employee Handbook.

VIII. Officer, Board & Committee Member Compensation

Board and committee members are not to be compensated for their service, except for reimbursement of expenses. Any such compensation must be in compliance with federal and state charitable trust laws and the Internal Revenue Code. Neither the president nor the treasurer of the board of directors may be compensated for professional services.

X. Contractual Agreements

In the event that a member of the FNPS Board of Directors is compensated for his or her professional services, these procedures shall be followed to avoid the potential for or appearance of private inurement or self-dealing. The full Board of Directors shall act, in the absence of the member to be compensated, to approve the business arrangement only if the following findings are made and documented in the board minutes:

1. The Board finds that an arrangement more advantageous to FNPS cannot be obtained with reasonable effort under the circumstances. This may be done by seeking multiple bids or quotes for the same work from qualified individuals or companies providing similar service; or by thoroughly investigating the hourly or daily rates for similar service available in the local market.
2. The Executive Director approves a written contract outlining the term, compensation and required deliverables, following the FNPS's standard business procedures. The Board expresses willingness and ability to exercise independent judgment and ensure timely and quality service, as they would with any outside contractor, without regard for the person's status as a member of the board. The Board member who is the potential contractor shall not be involved in the contract preparation and approval process.
3. The Board is confident that engaging a Board member in a professional capacity will not create a perception in the community that will be detrimental to FNPS.

IX. Gifts to Employees

FNPS Employees may not accept gifts having a value of more than \$100.00 from individuals or entities associated with FNPS when the relationship between the employee and the gift giver exists as a result of the employee's employment with FNPS.

X. Transactions with Insiders

FNPS may decide to engage in financial transactions with insiders, defined as above, or with businesses or other organizations with which they are associated. In such case, FNPS shall follow its conflict of interest policy and its policy regarding donations, bequests, grants, sponsorships and fund-raising, document that the proposed project or transaction is consistent with FNPS's mission and ensure that no private benefit or private inurement occurs.

APPENDIX A

CONFLICT OF INTEREST ANNUAL STATEMENT
Florida Native Plant Society

As an employee, officer, board member, or member of a committee of the **Florida Native Plant Society** (FNPS), the Conflict of Interest Policy requires you to deliver this Annual Statement to the President. A copy of the Conflict of Interest Policy is attached to this statement. Please review it carefully before completing this Annual Statement, and then fill out the information below.

1. Name: _____

2. Date: _____

3. Position (Check all that apply): Officer ____ Board Member ____ Committee Member ____
Employee _____

4. List any and all positions you hold, business dealings you have, financial interests, or other interests that may present a conflict with your work for FNPS:

6. I understand that FNPS is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes. I certify that I have received a copy of FNPS's Conflict of Interest Policy, that I have read and understand the Policy, and that I agree to comply with the Policy.

_____ (Signature) _____ (Date)