



FlaglerCares

Helping People. Transforming Communities. Changing Lives.

Annual Board of Directors Conflict of Interest Statement, 2024-25

I _____, Board Member of Flagler Cares, Inc., have:

- Received a copy of the Flagler Cares bylaws that includes the Conflicts of Interest Policy (Section 3.07)
- Have read and understand the policy;
- Have agreed to comply with the policy and;
- Understand that Flagler Cares is a charity 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 (*excerpted from Articles of Incorporation*):

Said organization is organized exclusively for charitable, religious, educational, and scientific purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations described under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Signature: _____

Date: _____

Excerpted from Flagler Cares, Inc. Bylaws

Section 3.07 Conflicts of Interest

Members of the Board of Directors shall disclose any relationship that could be considered a conflict of interest with the organization. Directors shall excuse themselves on matters where their objectivity would be compromised. No board member will use their relationship with Flagler Cares, Inc. for personal gain or in a manner that might result in a possible excess benefit transaction.

Duty to Disclose: In connection with any actual or possible conflict of interest, a Board member must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

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

- An ownership or investment interest in any entity with which Flagler Cares has a transaction or arrangement,
- A compensation arrangement with Flagler Cares or with any entity or individual with which Flagler Cares has a transaction or arrangement, or;
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Flagler Cares 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 Board member who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the Board member, he/she shall leave the Board of Directors 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.

Procedures for Addressing the Conflict of Interest

- A Board member may make a presentation at the Board of Directors 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.
- The President of the Board of Directors, if appropriate, shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the Board of Directors shall determine whether Flagler Cares 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.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Flagler Cares' 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.

Violations of the Conflicts of Interest Policy

- If the Board of Directors 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.
- If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Compensation

- A voting member of the Board of Directors who receives compensation, directly or indirectly, from Flagler Cares for services is precluded from voting on matters pertaining to that member's compensation.

Annual Statements: Each Board member shall annually sign a statement which affirms such person:

- Has received a copy of the conflicts of interest policy,
- Has read and understands the policy,
- Has agreed to comply with the policy, and
- Understands Flagler Cares is a charity 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.

Periodic Reviews: To ensure Flagler Cares operates in a manner consistent with its charitable purpose 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:

- Whether compensation arrangements and benefits are reasonable.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to Flagler Cares' 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.