

# **Conflict-of-Interest Policy Statement**

## **Little Friends At HAB, Inc.**

### **Article I. Purpose**

The purpose of a conflict-of-interest policy is to protect an organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, 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 and is applicable to Little Friends At HAB, Inc.

### **Article II. Definitions**

#### **1. Interested Person**

An Interested Person is any director, principal officer, or member of a committee with governing board-delegated powers of Little Friends who has a direct or indirect Financial Interest, as defined below.

#### **2. Financial Interest**

A person has a Financial Interest if the individual has, directly or indirectly, any actual or potential ownership, investment, or compensation arrangement with Little Friends or with any entity that conducts transactions with Little Friends.

A Financial Interest is not necessarily a conflict of interest in all cases. Under Article III, Section 2 of IRS Form 1023, a person with a Financial Interest may have a conflict of interest only if the appropriate governing board of Little Friends decides that a conflict of interest exists.

### **Article III. Procedures**

#### **3. 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 Directors of Little Friends and to members of the committees of Little Friends with governing board-delegated powers considering the proposed transaction or arrangement. In an effort to aid such disclosure, each member (board, committee, or staff) shall complete a conflict-of-interest questionnaire as circumstances warrant, but no less frequently than annually.

#### **4. Determining whether a conflict of interest exists**

The Board of Directors of Little Friends shall review each member questionnaire and any other disclosures regarding the Financial Interests of its members. After disclosure of the Financial Interest, the Interested Person shall leave the Board meeting while the remaining Board members discuss and vote on whether a conflict of interest exists.

#### **5. Procedures for addressing the conflict of interest**

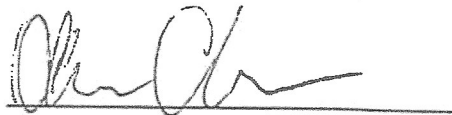
After exercising due diligence, the Board of Directors of Little Friends shall determine whether the organization can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not produce a conflict of interest. The Interested Person shall not be present in the room during the determination.

If an alternative transaction or arrangement is not possible, the Board of Directors of Little Friends shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the best interests of Little Friends, for its own benefit, and fair and reasonable. Based on these determinations, the Board of Directors of Little Friends shall make its decision on whether to enter into the transaction or arrangement.

#### **6. Disciplinary action**

If the Board of Directors of Little Friends has reason to believe an individual has failed to disclose actual or potential conflicts of interest, it will inform the member and allow him/her to explain the alleged failure to disclose. If the Board of Directors of Little Friends still has reason to believe a conflict of interest exists after the alleged conflict is explained, it will take appropriate corrective action.

Adopted this 29th day of August, 2018, by the duly constituted initial Directors/Incorporators of Little Friends At HAB, Inc., a Florida not for profit corporation.



Claire Kermitz Chinn  
Interim Secretary of the Corporation.