

TAMPA BAY MARITIME SCHOLARSHIP FOUNDATION, INC.
CONFLICT OF INTEREST POLICY
SCHOLARSHIP SELECTION COMMITTEE

Article I
Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is awarding scholarships when a scholarship applicant is related to or known to an officer or director of the organization or related to or known to any other member of a scholarship selection committee to avoid awarding scholarships that could be regarded as for the benefit of the personal interest of an officer or director of the Organization or the personal interest of any other member of a scholarship selection committee. This policy is intended to supplement the general conflict of interest policy of the Organization and to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

1. Interested Person

Any director, officer, or member of a scholarship award committee who has a direct or indirect personal interest, as defined below, is an interested person.

2. Personal Interest

A person has a personal interest if the person has, directly or indirectly, through business, membership in business or public service organizations, or family:

- a. A personal relationship with any applicant for a scholarship,
- b. A personal relationship with the family of any applicant for a scholarship, or
- c. Otherwise knows or has personal knowledge of a scholarship applicant, when such knowledge is not generally known to or available to other members of a scholarship selection committee.

Personal interest includes direct and indirect knowledge of a scholarship applicant or an applicant's family by virtue of common membership in an organization that includes a member of the family of a scholarship applicant or a relationship with an educational institution at which a scholarship applicant may use scholarship funds awarded by a scholarship award committee.

A personal interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a personal interest may have a conflict of interest only if the scholarship selection committee decides that a conflict of interest exists.

Article III **Procedures**

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the personal interest and be given the opportunity to disclose all material facts to the directors and members of a scholarship selection committee considering scholarship applications.

2. Determining Whether a Conflict of Interest Exists

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

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the scholarship selection committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, whether the personal interest disclosed amounts to a possible conflict of interest.

b. If the chairperson of the scholarship selection committee discloses a personal interest, a temporary chair shall be elected to handle discussion of and voting on the potential conflict of interest.

c. After exercising due diligence, the scholarship selection committee shall determine whether the person who has disclosed a personal interest can participate in discussion of and voting on the applicant relating to the personal interest and whether the personal interest is such that the person who disclosed the personal interest must be excused from participation in discussion of and voting on a particular group of scholarship applicants to avoid even the appearance of a conflict of interest.

d. If more than one member of a scholarship selection committee discloses a personal interest, each personal interest shall be considered and voted upon separately. In the event disclosure of multiple personal interests makes it impossible or impractical for a scholarship selection committee to proceed or if resolution of disclosed personal interests makes it impossible for a scholarship selection committee to proceed with its work, the committee shall disqualify itself and prepare a written message to the Board of Directors outlining the reasons the committee is unable to proceed with its business and the Board of Directors shall thereafter act promptly to appoint a new scholarship selection committee to avoid conflicts of interest disclosed in the report received from the self-disqualified scholarship selection committee.

4. Violations of the Conflicts of Interest Policy

a. If the board of directors or scholarship selection committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall

inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

b. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the board of directors or scholarship selection committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV **Records of Proceedings**

The minutes of the scholarship selection committee shall contain:

a. The names of the persons who disclosed or otherwise were found to have a personal interest in connection with an actual or possible conflict of interest, the nature of the personal interest, any action taken to determine whether a conflict of interest was present, and the scholarship selection committee'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 a personal interest disclosed, the content of the discussion, and a record of any votes taken in connection with the proceedings.

Article V **Annual Statements**

Each director, officer and scholarship selection committee member serving on a scholarship selection committee shall, at the commencement of the first meeting of the scholarship selection committee affirm that such person:

a. Has received a copy of the Scholarship Selection Committee Conflict of Interest Policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands the Organization 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 and understands that the Organization desires to avoid even the appearance of a conflict of interest in awarding scholarships.

Article VI **Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, or give the appearance of personal interest of scholarship selection committee members influencing the award of scholarships, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether the scholarship application process is reasonable, resulting in scholarship applications reaching the widest appropriate audience and resulting in eligible students applying for scholarships.
- b. Whether the composition of the scholarship selection committee and the selection procedures employed by the scholarship selection committee conform to the Organization's written policies, are properly recorded, reflect reasonable efficiency and results in awarding scholarships, further the charitable purposes of the Organization, do not result in impermissible personal benefit, and do not result in actual or perceived conflicts of interest in the application or award process.

Article VII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VI, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of directors of its responsibility for ensuring periodic reviews are conducted.