

Goodwill Industries of South Florida:

Conflict of Interest Policy

I. POLICY:

Except for the program participants to be served under the mission, no officer, director or employee of Goodwill Industries shall receive any personal or financial benefit from business matters with Goodwill Industries that may create a conflict of interest. Goodwill Industries may enter into a beneficial business arrangement with an officer, director or employee so long as the overriding criteria are to the benefit of Goodwill Industries and provided that there is appropriate disclosure according to the procedures in this policy.

II. PURPOSE:

The purpose of the Conflict of Interest policy is to protect Goodwill Industries' interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or employee of Goodwill Industries. This policy is intended to supplement but not replace any applicable state or federal laws governing conflict of interest that are applicable to non-profit and charitable organizations.

III. SCOPE:

Definitions:

A Conflict of Interest occurs when an officer, director or employee uses his/her position or the knowledge gained from their association with Goodwill Industries in a way that is contrary to or inconsistent with the interest of Goodwill Industries for personal benefit or advantage of which Goodwill Industries is not aware. It is necessary to avoid even the appearance of conflict of interest. While it is not practical or possible to identify every situation that may create a conflict, the following should serve as a guide to the types of activity that may create a conflict:

Acceptance of Gifts - Employees:

Employees must avoid receiving gifts or favors for personal use or benefit which extend beyond common courtesy associated with accepted business practices. Acceptance of gifts is subject to the following provisions:

- Under no circumstances may a gift be accepted which may place the employee under the influence or obligation to a third party in dealing with or representing the interest of Goodwill Industries.



Training, employing and placing
people with disabilities and special
needs in community employment

- Employees may receive gifts of a nominal value which are advertisements of promotional materials clearly marked with the company's brand and name.
- No employee may use his/her position to solicit any discount on personal or family purchases of equipment, materials or services from present or prospective vendors.

Family or members of the immediate family for the purposes of this policy are: spouse, children, parents, brothers and sisters and any other relatives living in the same household.

It is recognized that there are times when a gift is received by an employee from someone with very good intentions, who may be insulted if the gift is rejected – offending someone who is a well intended and honorable supporter of Goodwill Industries. Should the situation occur, the employee receiving the gift should notify through the chain of command the immediate Supervisor and Division Vice President or the Human Resources Department. If necessary, the President and CEO or his designee may make the final determination on the gift.

Outside Activities – Employees:

Employees are encouraged to take an active role in educational, cultural or civic activities. However, such active roles should not be so excessive that it impairs the effective performance of the employee of Goodwill Industries. And, it is subject to be following provisions. Approval by the President and C.E.O. or his designee is required before accepting any outside responsibility that is likely to:

- Involve the use of the employee's time during working hours.
- Involve association with a competing organization.
- Involve the receipt of direct and indirect remuneration, fees or other forms of compensation – such as in consultation services and as gifts or favors that are substantial in nature.
- Involve acting on behalf of Goodwill Industries to support any causes and issues which are not related to the mission of Goodwill Industries and have not been previously approved by the President and C.E.O. or his designee.

Outside Employment - Employees:

Goodwill Industries does not object to employees holding other jobs provided that there is no conflict of interest and that the job at Goodwill Industries is primary.

- Outside employment that interferes with the employee's obligations to Goodwill Industries is prohibited.
- No employee shall claim to be a Goodwill Industries' representative in connection with any outside employment.
- Before accepting any supplementary job, it is mandatory that the employee notify, through the chain of command, his/her immediate Supervisor through to the Human Resources Manager. This is to determine if there is a conflict of interest or if it would adversely affect their job performance at Goodwill Industries. The President and C.E.O. or his designee may rule if there is a conflict of interest.

- If at anytime the job at Goodwill Industries suffers due to the additional employment, Goodwill Industries reserves the right to request the employee to resign from the supplemental employment. Failure to comply with such request can lead to termination.

Personal Financial Interest - Employees:

All employees are required to disclose all outside interest that may influence official decisions and actions. This would include:

- A situation whereby an employee or any member of his/her immediate family has a direct or indirect financial interest in an outside enterprise that has in the past engaged or may in the future engage in transactions as a vendor or supplier of goods and services to Goodwill Industries.
- A situation whereby an employee or any member of his/her immediate family has a direct or indirect financial interest in any outside business enterprise that "competes" in any way with Goodwill Industries. Business such as: Used Goods Collections and Sales, Thrift Stores, Consignment Stores, Antique Stores, Vintage Stores, Flea Market and Merchandise Auctions are generally in direct competition and present a challenge to Goodwill Industries. To determine if there is a conflict of interest, annually or when it occurs – all employees must notify their immediate Supervisor and the Human Resources Manager, if any members of their immediate family are engaged or have become engaged in any of these businesses.
- Employees are expected to refrain from influencing the selection of staff, consultants and vendors, who are relatives, personal friends or affiliated with or employed by a person with whom they have a relationship that adversely affects the appearance of impartiality.
- It is prohibited for employees of Goodwill Industries to make purchases in the same store that they work or to ring sales transactions for members of their family.
- Employees are prohibited from receiving special sales discounts, or having merchandise specially selected or set aside for them or for members of their family in any manner which is different than what is available to the general shopping public.

Personal Financial Interest - Officers and Directors:

Goodwill Industries adopts the following guidelines with respect to participation by officers and directors of the Board of Directors in matters coming before them in which they may have a duality or potential conflict of interest.

- No officer or director of the Board of Directors shall knowingly take any action or make any statement intended to influence the conduct of Goodwill Industries in such a way as to confer any benefit to such member or to any for-profit organization that he/she has significant interest as stockholder, director or officer.
- In the event that a matter for consideration or decision comes before the Board of Directors that raises a potential conflict of interest for any member of the Board, the member shall disclose the conflict of interest as soon as he/she becomes aware of it, and the disclosure shall be recorded in the minutes of the meeting. The member shall not be physically present during the Board's final discussion or vote on the issue.

- Any member of the Board of Directors, who is aware of a potential conflict of interest with respect to any matter coming before the Board, shall not vote in connection with the matter.
- These guidelines shall not be construed as preventing or discouraging any member of the Board of Directors from disclosing relevant information with respect to any matter that he/she has knowledge of or answering questions and stating his/her position with respect to any such matter.
- These guidelines shall not be construed as preventing officers and directors of Goodwill Industries from entering into a beneficial business as long as the overriding criteria is to the benefit of Goodwill Industries and provided that there is appropriate disclosure in any such agreement according to the procedures in this policy.

IV. PROCEDURES

Determining Whether a Conflict of Interest Exists

Officers and Directors. The President and C.E.O. should take appropriate steps to ensure that any business with officers and directors of the Board meet the overriding need of Goodwill Industries and not that of the members. However, when there appears to be a conflict of interest, the Board of Directors should take appropriate steps as follows:

- The Board of Directors or its committee shall examine all of the facts of the transaction and determine whether Goodwill Industries can obtain a more advantageous transaction or arrangement with reasonable effort 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 attainable under circumstances that would not give rise to a conflict of interest, the Board or its committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Goodwill Industries' best interest, for its own benefit, and whether the transaction is fair and reasonable to Goodwill Industries.

Statement of Acknowledgement

Each officer, director and employee shall sign a statement that affirms that such person:

- Has received a copy of the Conflict of Interest policy.
- Has read and understands the policy.
- Has agreed to comply with the policy.
- Understands that Goodwill Industries is a charitable organization, and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Statements of acknowledgement of officers and directors of the Board shall be kept on file in the office of the President and C.E.O. Employees' statement of acknowledgement shall be included in their personnel file.

This policy is applicable to all operations and services.

Issued by: Dennis Pastrana
Approved by: Board of Directors

Date: June 30, 1980
Revised: March 6, 1992
Revised: May 17, 1994
Revised: June 19, 1995
Revised: October 17, 1996
Revised: June 13, 1997
Revised: October 7, 1998
Revised: November 22, 2001
Revised: January 02, 2004
Revised: November 18, 2004