



Policies and Procedures

SECTION: Administrative	POLICY # ADM 01	PAGE 1 of 19
TITLE: Approval of Contracts and Conflicts of Interest	EFFECTIVE DATE: 11/1/2024	
SUPERCEDES: Approval of Contracts and Conflicts of Interest		Dated: 03.2021

DISTRIBUTION: CareerSource North Central Florida (CSNCFL) Staff and Service Providers

BACKGROUND:

This Policy defines CareerSource North Central Florida's (CSNCFL's) requirements when one or more Board Members or employees (if any) has any relationship with a vendor contracted with by the CSNCFL Board. This Policy is established in accordance with the CareerSource Florida State and Local Workforce Development Board Contracting Conflict of Interest Policy.

This Policy adheres to the proviso language for Specific Appropriation 2214 of the 2010 General Appropriations Act and the 2010 Appropriations Implementation Bill, and continued in accordance with Specific Appropriation 2006 of the 2011 General Appropriations Act.

The proviso language for Specific Appropriation 2006 prohibited the use of state or federal funds by a regional workforce board for any Contract exceeding \$25,000 between a regional workforce board and a Board Member of that board that has any relationship with the contracting vendor, unless the Contract has been reviewed and approved by the Department of Economic Opportunity ("DEO"), now known as Florida Commerce and by CareerSource Florida, Inc. ("CSF")

The proviso language is incorporated into and made a part of this Policy.

The State policy was modified in 2011 to prohibit a Contract between local workforce

development boards (local) and their board members or other persons or entities that may 'benefit financially from a Contract (as defined in paragraph I(g) below), providing four exemptions to the prohibition to allow the workforce boards to provide statutorily-mandated services.

The State Policy was again modified in 2012 to comply with the Legislature's adoption of Chapter 2012-29, Laws of Florida, requiring Contracts under \$25,000 to be reported to CSF and requiring that Contracts with relatives of workforce board employees be approved by a two-thirds vote and go through the review and approval process. This Policy currently complies with section 445.007(1) and (11), Florida Statutes and with the State Policy.

CareerSource Florida's Strategic Policy for Board Governance and Leadership, effective February 20, 2020, requires local boards to adopt and abide by a conflict-of-interest policy that ensures compliance with federal and state laws, rules and regulations and applicable state policies. Upon appointment to the local board, members must be educated about and acknowledge state and local conflict-of-interest policies.

Effective July 1, 2021, the REACH Act serves as the authority for related party contract requirements. Florida Commerce issued a memorandum on July 1, 2021, that served to reconcile any differences between current state policy and agreements between Florida Commerce and local boards until applicable policies and agreements were updated to align with the requirements in the REACH Act.

For purposes of this Policy, vendor, contractor, and subrecipient are the same.

Any subsequent revisions to the State Policy will automatically revise and be incorporated into this CSNCFL Policy.

POLICY:

Definitions.

For the purposes of this Policy, the following definitions apply:

- a) "Board" means the duly appointed membership of the North Central Florida Workforce Development Board and the CSNCFL Council of Electeds.
- b) "Board Member" means a duly appointed Board Member of the NCFWDB Board of Directors in attendance at the meeting, when a quorum has been established, wherein a Contract is submitted to a vote. The term includes Board Members who have a relationship with the contracting vendor and who therefore must abstain from voting on the Contract.
- c) "Contract" means a written agreement funded by state or federal funds, to which CSNCFL is one of the parties. It includes the initial Contract and all amendments,

renewals or extensions. For purposes of this Policy, "Contract" includes the proposed Contract. Contract does not include:

- i. retail purchases for which no written Contract is executed,
- ii. the purchase of utility services for use by the Board,
- iii. staff employment Contracts (other than Contracts with Board Members or relatives of Board Members), and
- iv. membership fees and sponsorships to professional organizations.

d) "Quorum" means that the minimum number of Board Members required to be present in order for the Board to transact business as established by the Board's bylaws.

e) "When a quorum has been established" means the contemporaneous meeting of a sufficient number of Board Members to constitute a quorum, in person and/or through accepted electronic means.

f) "Has any relationship with the contracting vendor" means the Board Member is an owner or a principal of the vendor, or a principal of the vendor has retained the Board Member, or the parent organization or subsidiary of a corporate principal of the vendor has retained the Board Member or a Board Member's known relative or Board Member's business associate is an owner of the vendor.

g) "Benefit financially from a Contract" means the special private financial gain to a Board Member, a special private financial gain to any principal which retains the Board Member, the special private financial gain of the parent organization or subsidiary of a corporate principal which retains the Board Member or the special private financial gain to any Board Member's relative or business associate or to a Board employee and such benefit is not remote or speculative. "Personally, benefit financially" means a special private financial gain to a Board Member only.

h) "Owner" means any ownership interest in a privately-owned contracting entity or a majority interest in a publicly held contracting entity.

i) "Principal of a contractor" means an owner or high-level management employee with decision making authority.

j) "Employee" means a person employed full-time by the Board working in a managerial or supervisory capacity or who has direct contract management or direct fiscal involvement with the Contract being voted on by the Board.

k) "Relative" means father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law. § 112.3143(1)(c), Florida Statutes.

l) "Utility services" include telephone, cable, electricity, water, gas, waste and sewage services and other similar services.

m) "Federal, state or other governmental workforce programs" means Incumbent

Worker Training (s.445.003(3)(a)(3), Florida Statutes), Quick Response Training (s. 288.047, Florida Statutes), Employed Worker Training, On the Job Training, customized training and other One-Stop training provider services.

Prohibition Against the Board Contracting With Its Board Members

CSNCFL shall not enter into a Contract with one of its own Board Members, with organizations represented by its Board Members or with entities in which its Board Members have a relationship with the contracting vendor. At the Board's discretion, the following may be exempted from this paragraph:

- a. A Contract with an agency (as defined in s. 112.312(2), Florida Statutes, including, but not limited to, those statutorily required to be Board Members) when said agency is represented by a Board Member and said Board Member does not personally benefit financially from such Contracts;
- b. A Contract with a Board Member or a vendor (when a Board Member has any relationship with the contracting vendor) in which the Contract relates to the Board Member's appointment to the Board under section 107(a)(2), Public Law 113–128, Workforce Innovation and Opportunity Act of 2014 ("WIOA");
- c. A Contract with a Board Member receiving a grant for workforce services under federal, state or other governmental workforce programs;
- d. A Contract between the Board and a Board Member which is not exempted under paragraphs II(a), II(b) or II(c) in which the Board documents exceptional circumstances and/or need and the Board Member does not personally benefit financially from the Contract. Based upon criteria developed by CSF, Florida Commerce shall review the Board's documentation and assure compliance.

Each Contract which is exempted from the general prohibition in this section must meet the requirements set forth in in F.S. 445.007 which follows below, including, but not limited to, the requirements of the criteria established in the "conflict of interest" provisions under section 101(f), Workforce Innovation and Opportunity Act of 2014.

However, since section 445.007(11), Florida Statutes requires CSF to perform the review and approval process pertaining to local Board Contracts, CSF Contracts with the Board are not subject to the provisions of this Policy pertaining to review and approval processes.

Requirements of Section 445.007, Florida Statutes

CSNCFL must comply with all requirements of section 445.007, Florida Statutes, prior to contracting with a Board Member or other person or entity who could benefit financially from a Contract (as defined in paragraph I(g) above). These requirements are:

- A. All Contracts between the Board and a Board Member or other person or entity who may benefit financially from a Contract (as defined in paragraph I(g) above) must be approved by a two-thirds (2/3) vote of the Board when a quorum has

been established and the approval of such Contracts shall not be delegated to staff or committees;

- B. The fact that a Board Member or other person or entity could benefit financially from a Contract (as defined in paragraph I(g) above) must be disclosed in a Board meeting, and made part of the minutes of said meeting before a vote is taken. The Board Member's absence from the meeting does not relieve the Board from the disclosure and 2/3 vote requirements. All other known conflicts must be disclosed before a vote can take place. If a Board Member or employee discovers a conflict of interest after the vote, then the conflict must be disclosed in a procedure consistent with s. 112.3143(4)(b), Florida Statutes. Board Members who could benefit financially from the Contract or who have any relationship with the contracting vendor (as defined in paragraph I(f) above) must abstain from voting on the Contract. A Board Member's designee cannot vote in the place of a Board Member who is required to abstain;
- C. Prior to Contract execution, the Board shall submit all Contracts equal to or greater than \$10,000 with Board Members or other persons or entities subject to the State Policy and/or this Policy who could benefit financially from the Contract to Florida Commerce along with documentation specified by this Policy, to ensure that the following requirements have been met:
 - i) The Contract met one or more of the exemptions to the prohibition under paragraph II;
 - ii) The Board approved the Contract with a two-thirds vote when a quorum was established;
 - iii) Board Members who could benefit financially from the Contract or Board Members who have any relationship with the contracting vendor disclosed any such conflicts prior to the Board vote on the Contract; and
 - iv) Board Members who could benefit financially from the Contract or Board Members who have any relationship with the contracting vendor abstained from voting.
- D. A Contract of less than \$10,000 between the Board and a Board Member or between a relative of a Board Member or of an Employee of the Board is not required to have the prior approval of Florida Commerce, but must be approved by a two-thirds vote of the Board, once a quorum has been established and after full disclosure with the Board Member's abstention and must be reported to Florida Commerce within thirty (30) days after Board approval;
- E. Contracts with a Board Member or other persons or entities who could benefit

financially from the Contract (as defined in paragraph I(g) above) in which the Board will receive monies or other compensation (such as a Board Member paying rent to the Board or paying for Board services) are exempt from this policy;

- F. The term “Contract” includes the initial Contract and all amendments, renewals, or extensions. Renewals or extensions of Contracts with a Board Member or persons or entities who could benefit financially from the Contract must be approved under the same procedure as if the amendment, renewal, or extension were an original Contract. Any amendments to a Contract which could benefit financially a Board Member or another person or entity (as defined in paragraph I(g) above) must be approved under the same procedure as if the amendment were an original Contract. Any amendments that do not financially benefit a Board Member or other person or entity (as defined in paragraph I(g) above) may be approved by a regular majority vote where there is a quorum according to the Board’s bylaws;
- G. All other requirements of section 445.007, Florida Statutes, must be met. For example, a Board Member must continue to disclose any conflict of interest in a manner that is consistent with the procedures outlined in s. 112.3143, Florida Statutes;
- H. To comply with the requirements of section 445.007, Florida Statutes, this Policy advises and requires Board employees to disclose known conflicts of interest and notify the Board of any Contracts which may benefit them personally or their relatives. To comply with the requirements of section 445.007, Florida Statutes, this Policy advises and requires all parties to a Contract to disclose all known conflicts of interest and notify the Board of all Board Members or other persons or entities known to benefit financially from the Contract (as defined in paragraph I(g) above).
 - i) A Contract that is initially subject to the requirements of section 445.007, Florida Statutes, due to a Board Member’s, an employee’s, an employee’s relative’s, or another person’s or an entity’s conflicts of interest at the time of approving the Contract is not subject to these procedures after the departure of the Board Member from the Board, the departure of the employee from the Board’s employment or other actions have removed the conflicts of interest.
- I. The above requirements do not eliminate or diminish the Board’s obligations to comply with the “conflict of interest” provisions under section 101(f), Public Law 113–128, (WIOA).

Required Documentation

For each Contract equal to or greater than \$10,000, the Board shall electronically submit, after the Board's approval of the Contract, a completed Contract information form certified by the Board chair or vice chair as correct and true to Florida Commerce containing the following information:

- a) Identification of all parties to the Contract,
- b) Description of goods and services to be (or have been) procured,
- c) Value of the Contract, Contract renewal or Contract extension,
- d) Contract term including starting date and ending date,
- e) Contract number or identifying information, if any,
- f) Identification of the Board Member or employee whose conflict of interest required the Board's approval of the Contract by 2/3 vote,
- g) The nature of the conflict of interest in the Contract,
- h) A certified Board membership roster listing all Board Members at the time of the vote on the approval of the Contract with a vote tally indicating attendance or absence at the meeting and for those in attendance, the affirmative and negative votes and abstentions for each Board Member,
- i) Dated and executed conflict of interest forms, which are consistent with the procedures outlined in s. 112.3143, Florida Statutes, submitted at or before the Board meeting in which the vote took place, for Board Members who have any relationship with the contracting vendor (as defined in paragraph I(f) above), and
- j) Other information as specified on the Contract information form.

Florida Commerce is required to review the documentation to ensure compliance with the statutory requirements listed in paragraph III above. Failure to timely provide all required documentation or failure to complete the form shall result in immediate disapproval of the Contract and require resubmission of documentation and form.

The Board shall not execute the Contract until Florida Commerce approves the Contract. However, the Contract must be executed and performance begun within a reasonable time following approval. Seeking "blanket" approval for potential future Contracts with Board Members is not within the spirit of this Policy and all such attempts shall be denied.

Request for Review When Contract Approval Is Denied

A party to the Contract may request a review of Florida Commerce's disapproval of a Contract. Strict compliance with the following procedures is required by Florida Commerce:

- a) The request for review must be in writing, must state specific grounds for review and must provide all information required for review of the stated grounds. Failure to state specific grounds may be cause for denial of the request without further review.

- b) The request for review must be received by Florida Commerce not later than ten (10) calendar days from the date of Florida Commerce's denial.
- c) Within seven (7) calendar days of receipt, the Florida Commerce will issue a final decision on the request for review.

Requirements of the REACH Act

Related Parties

A related party includes any:

- Local board member;
- Employee of the local board;
- Relative (see [s. 112.3143\(1\)\(c\)](#), Florida Statutes) of a local board member or employee of the local board; or,
- Organization or individual represented by or employing a local board member.

Process for Related Party Contracts

Using the process and documentation requirements outlined in [CareerSource Florida Strategic Policy 2012.05.24.A.2](#) and [Section 15. Related Parties in the Grantee Subgrantee Agreement](#), local boards must submit all related party contracts to Florida Commerce.

Related party contracts, as well as documentation demonstrating adherence to these requirements as specified by Florida Commerce, must be submitted to Florida Commerce for review and approval prior to execution of the contract. Contracts subject to these requirements may not be included on the local board's consent agenda.

Noted Exception: Contracts under \$10,000 between the local board and either a relative (as defined in s. 112.3143(1)(c)) of a local board member or of an employee of the local board, or an employee of the local board, do not require prior approval by Florida Commerce. However, such contracts must be reported to Florida Commerce via email at: WorkforceContract.Review@deo.myflorida.com within 30 days of approval by the local board.

Posting Related Party Contracts to Local Board's Website

All related party contracts approved on or after July 1, 2021, must be published on the local board's website within 10 days after approval by the local board or Florida Commerce, whichever is later, and must remain published on the local board's website for at least one year after termination of the contract.

Attachments:

- lii Contract Information Form
- lii Disclosure and Certification of Conflict of Interest in a Contract
- lii Memorandum of Conflict of Interest for Board Members

OFFICIAL SIGNATURE

PHYLLIS MARTY
Chief Executive Officer

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CONTRACT INFORMATION FORM

This form is to seek approval of a Contract valued at \$10,000 or more involving a conflict of interest of board members or employees. All requested information is required. Failure to provide complete information may result in disapproval of the Contract.

I, _____, hereby certify the following information regarding a Contract that was approved by a two-thirds (2/3) vote of a quorum of CareerSource _____ (local board) and will be executed and implemented immediately after approval by CareerSource Florida.

Identification of all parties to the Contract:

Contractor Name & Address:

Contractor Contact Phone Number:

Contract Number or Other Identifying Information, if any:

Contract Term:

Value of the Contract/Renewal/Extension:

Description of goods and/or services to be procured:

Name of Board Member or employee whose conflict of interest required the board's approval of the Contract by two-thirds (2/3) vote:

The nature of the conflicting interest in the Contract:

The Board Member with the conflict of interest ___did ___did not (check one) attend the meeting at which the board voted to approve the Contract.

I further attest that the following is being provided with this form:

- _A certified board membership roster listing all members on the board at the time of the vote on the approval of the Contract with a vote tally indicating attendance or absence at the meeting and for those in attendance, the affirmative and negative votes and abstentions for each Board Member.
- _Consistent with the procedures outlined in section 112.3143, Florida Statutes, the dated and executed conflict of interest form that was submitted at or before the board meeting in which a voted related to the Contract took place, for Board Member(s)/employee(s) who have any relationship with the contracting vendor (as defined in paragraph I(f) of the CSF contracting Policy).

I certify that the information above is true and correct.

Signature of Board Chair / Vice Chair* Print Name and Date

* Must be certified and attested to by the board's Chair or Vice Chair. Date

DISCLOSURE AND CERTIFICATION OF CONFLICT OF INTEREST IN A CONTRACT

I, _____, a Board Member / an employee of the board (circle one) hereby disclose that:
I, myself / my employer / my business / my organization/ OR "Other" (describe) (circle one or more) could benefit financially from the Contract described below:
Local Workforce Development Board:

Contractor Name & Address:
Contractor Contact Phone Number:
Description or Nature of Contract:
Description of Financial Benefit*:

For purposes of the above Contract the following disclosures are made:

The contractor's principals**/owners***: (check one)
_____ have no relative who is a Board Member of the board; OR
_____ have a relative who is a Board Member of the board, whose name is:

The contractor's principals**/owners*** ____is ____is not (check one) a Board Member of the board. If applicable, the principal's/owner's name is:

Signature of Board Member/Employee Print Name and Date

* "Benefit financially from a Contract" means the special private financial gain to a Board Member, a special private financial gain to any principal which retains the Board Member, the special private financial gain of the parent organization or subsidiary of a corporate principal which retains the Board Member or the special private financial gain to any Board Member's relatives or business associate or to a board employee and such benefit is not remote or speculative.

** "Principal" means an owner or high-level management employee with decision-making authority.

*** "Owner" means a person having any ownership interest in the contractor.

NOTICE: CONFLICTS OF INTEREST REGARDING BOARD MEMBERS AND BOARD EMPLOYEES MUST BE DISCLOSED PRIOR TO THE BOARD'S VOTING TO APPROVE THE CONTRACT; BOARD MEMBERS WHO BENEFIT FINANCIALLY OR WHO HAVE A RELATIONSHIP WITH THE CONTRACTING VENDOR MUST ABSTAIN FROM THE VOTE, AND THE CONTRACT MUST BE APPROVED BY A TWO-THIRDS VOTE OF THE BOARD WHEN A QUORUM HAS BEEN ESTABLISHED. COMPLETION OF THIS FORM DOES NOT IN ANY WAY SUPERCEDE OR SUBSTITUTE FOR COMPLIANCE WITH CONFLICT OF INTEREST DISCLOSURE REQUIREMENTS OF SECTION 112.3143, F.S. OR SECTION 101(f), WIOA.