

**BY-LAWS
OF THE
CHARLOTTE COUNTY SHERIFF'S OFFICE
EMPLOYEE ASSISTANCE FUND, INC.**

ARTICLE I- BOARD OF DIRECTORS

Section 1. The number of members of the Board of Directors shall constitute a minimum of seven (7) but no more than sixteen (16) Directors.

Section 2. The initial seven (7) Directors shall be appointed to the Board of Directors by the 5 incorporators of the Trust after the filing of the Articles of Incorporation.

Section 3. The Board of Directors shall always include a representative of the following: (1) The Charlotte County Sheriff's Office (CCSO) or designee, (2) A minimum of two (2) Charlotte County Sheriff's Office's sworn members; (3) Two members from Detention (one sworn one civilian); (4) At least one member with financial background to hold Treasury seat. Other members shall be representative from the community at large. All members will assist in Fundraising activities and will be known as Assistance Coordinators.

Section 4. The Assistance Coordinators shall receive all assistance requests for review, except when not reasonable available in the case of an emergency request. The Assistance Coordinators shall thoroughly investigate each request for assistance to determine whether the application qualifies for assistance from the Trust. He/she shall present all requests for assistance at the next meeting of the Board of Directors, with his/her findings and recommendation(s).

Section 5. A quorum of the Board of Directors shall be equivalent to fifty percent (50%) of the sitting board members. A quorum shall be present at any meeting of the Board when trust business is conducted, including but not limited to, elections or voting on action to be taken by the Board. The President or Vice President must be present at any meeting to constitute a quorum for the transaction of Trust business to occur.

In the absence of a quorum, a majority of the board members present may by resolution adjourn the meeting for a period not to exceed thirty (30) days in any one case. At any continuation of any duly adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

Section 6. In the event of the vacancy of any required board member, the remaining board members shall convene within thirty (30) days to accept nominations from the

Board to fill the vacant position and hold an election before the conclusion of that meeting. The newly appointed board member shall serve out the remaining time of the vacant position. Any board member failing to attend three (3) Board meetings in a 6 month period is subject to removal from the Board by a two-thirds (2/3) vote of a quorum of the Board, unless exigent circumstances exist.

Section 7. Board members must be present or appear by electronic conference to vote. Proxy voting is prohibited, except for the Sheriff of Charlotte County while a sitting Board Member. Such proxy may be given to a sitting Board Member or other designee of the Sheriff of Charlotte County and is valid until revoked by the Sheriff. Each member present or appearing by electronic conference shall be entitled to cast one (1) vote on any and all matters which shall come before any such meeting. At each meeting of the members, all matters shall be decided by the affirmative vote of the majority of the members of the Board of Directors present at such meeting, a quorum having first been established.

Section 8. Any member of the Board of Directors may be removed by a two-thirds (2/3) vote of the remaining directors for malfeasance, misfeasance, or other unacceptable actions which may cause discredit, disgrace, or disrepute to the Trust or its Board of Directors.

ARTICLE II – DUTIES OF EXECUTIVE OFFICERS OF THE TRUST

Section 1. Executive Officers

The Executive Officers of the Trust shall include the following: President, Vice-President, Secretary, Treasurer. The Executive Officers shall be responsible for administration of the Trust with the direction and guidance from the remaining Board of Directors. They shall answer to the Board of Directors for their actions and ensure the remaining board members are aware of major issues or decisions affecting the Trust.

Section 2. President

- (a) The President is Chief Executive Office of the Trust and shall preside at all Board of Directors meetings. The President shall maintain strict compliance to the Articles of Incorporation and by-laws and enforce decorum among the members present at any meeting.
- (b) The President shall state, and put to vote, all motions made in accordance with the rules of parliamentary procedure in the course of meetings and shall announce the result of the vote.
- (c) The President shall vote only when the assembly is equally divided on a matter properly put to a vote.

- (d) The President shall authenticate by signature all official documents authorized by the Board of Directors.
- (e) The President, together with the Treasurer (and in the Treasurer's absence, the Vice-President), shall sign on all checks, withdrawals or other cash disbursements from any fund of the Trust. The signature of the Treasurer, together with the President, shall be required unless the Treasurer or the President shall be unavailable. In the event that either is unavailable, the signature of the other and the Vice-President shall be sufficient. The President shall ensure a report is provided to the Treasurer in a timely manner in the event any check is issued in the absence of the Treasurer.
- (f) The President shall have the power to call special meetings when deemed necessary.
- (g) Upon expiration of his/her term of office, the President shall convey to his/her successor all records of unfinished business, files and documents of the Trust in his/her possession or control.

Section 3. Vice-President

- (a) The Vice-President shall assist the President in conducting all Board of Directors meetings. In the absence of the President, the Vice-President shall preside with the full power of the President
- (b) The Vice-President shall succeed to and complete the term of the President in the event the President does not complete a full term of office.
- (c) The Vice-President shall be responsible for ensuring an annual report of the prior calendar year Trust activities be prepared and distributed to the Board of Directors and other interested parties in February of each year.

Section 4. Secretary

- (a) The Secretary shall oversee the Trust minutes, records, documents, office supplies, and equipment necessary to operate the trust, under the general authority and order of the President and Board of Directors.
- (b) The Secretary shall assure that an accurate record of the proceedings of all meetings of the Trust are prepared and maintained and shall conduct the general correspondence of the Trust. Copies of the prior month's meeting shall be distributed at each following meeting for review and approval by the Board of Directors.

- (c) The Secretary shall upon expiration of his/her term of office, deliver to his/her successor all records, documents, office supplies, and equipment in his/her possession or control.
- (d) The Secretary shall ensure the FL annual report is submitted no later than April 30 each year.

Section 5. Treasurer

- (a) The Treasurer shall be the custodian of all funds and financial accounts of the Trust and shall keep an accurate record of all receipts and disbursements.
- (b) The Treasurer shall deposit all funds received in a bank or a savings and loan association approved by the Board of Directors.
- (c) The Treasurer shall, together with the President (and in the President's absence, the Vice-President), sign all checks duly authorized for the disbursement of funds. Except to the extent that the Treasurer may be unavailable, the signature of the Treasurer shall be required on all checks regardless of the counter-signature. In the absence of either the President or Treasurer, the Vice-President may sign. In all circumstances, signatures of at least two (2) of these three (3) officers are required on all checks, withdrawals, or other disbursements.
- (d) The Treasurer shall report the current financial condition of the Trust in writing at each regular meeting.
- (e) The Treasurer shall upon expiration of his/her term of office, deliver to his/her successor control over all funds of the Trust, together with all Trust books, records, documents, supplies, files, checkbooks, etc., under his/her possession or control.
- (f) The Treasurer shall be responsible for filing the annual tax return to the IRS by May 15 each year. The Treasurer shall ensure an external audit of the Trust finances is completed and a report submitted to the Board of Directors by the end of May every other year, next audit is due 2019.

ARTICLE III – MEETINGS

Section 1. An annual meeting of the board of Directors of the Trust shall be conducted in February of each year. During that meeting all business necessary to plan for the operation of the Trust during the upcoming twelve (12) months shall be conducted. This shall include, but not be limited to, elections of board members or officers as set forth below, reports on the fiscal health of the Trust, reports on trust activities and disbursement during the preceding calendar year, and other such business as may be deemed proper to come before the Directors. This meeting will be (2) two hours in length to conduct regular monthly business as well.

Section 2. The regular meeting of the Board of Directors shall be held MONTHLY at the hour and place determined by the Board President.

Section 3. Special meetings may be called at any time by the President. Notice to members of the Board of Directors and/or the Board of Trustees of a special meeting may be given by phone, postal or electronic mail, or facsimile. No business shall be transacted other than that for which the special meeting is called.

Section 4. A majority of the voting members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 5. No official business shall be transacted unless there is a quorum in attendance.

ARTICLE IV – FINANCIAL ASSISTANCE

Section 1. The following definitions shall control in matters relating to financial assistance as the objectives of the Trust.

- (a) **“Employee”** shall mean any sworn law enforcement or correctional officer, civilian, or appointee working for the Charlotte County Sheriff’s Office.
- (b) **“Volunteer”** shall mean a civilian or sworn individual who (1) provides services for the Charlotte County Sheriff’s Office without compensation and (2) has donated a minimum of 20 (Policy says 2-4 hours per week for Volunteers) satisfactory hours per month for one year and who has donated an average of 20 satisfactory hours per month for the three months immediately prior to the incident which may qualify him or her for financial assistance. The Volunteer Coordinator supervising the individual must provide a written signed document attesting to the hours volunteered.
- (c) **“Applicant”** shall mean an individual on behalf of whom an application for assistance is made.

- (d) **“Disabled”** shall mean incapacitation to the extent that an employee is unable to perform the essential functions of the job for which he/she is employed at the time of the injury or illness. The employee’s qualification under this definition shall be determined solely at the discretion of the Board of Directors from factual, competent medical evidence presented by the Assistance Coordinator.
- (e) **“Immediate Family”** shall mean, spouse, children age 18 or younger residing in the employee’s household, unless financially dependent on the parent due to disability.
- (f) **“Killed or Disabled in the Line of Duty”** shall mean death or incapacitation occurring as a direct result of injuries incurred while in the performance of an activity directly related to fulfilling the duties of the employee’s job with the Charlotte County Sheriff’s Office.
- (g) **“Unusual Medical Expenses”** shall mean expenses arising from medical, dental, or psychiatric treatment which are not covered by a policy of health, medical, hospital, or other insurance.

Section 2. Applications for Assistance

All completed applications with required documentation shall be reviewed within three (3) business days from receipt.

- (a) **CCSO EMPLOYEES.** That the applicant is a full-time employee of the Charlotte County Sheriff’s Office (CCSO), recognizing that applicants may have to be filed for such a person. Volunteers and part-time employees will be considered on a case by case basis; **AND**
 - (1) **CIRCUMSTANCE RESULTING IN NEED FOR ASSISTANCE.** That the need for assistance resulted from death, disability, illness, injury or some other tragic or catastrophic circumstance(s), including extreme financial situations outside of the control of the applicant and his/her family, and including assistance for non-traditional therapies when a terminal illness has been diagnosed and that the circumstance(s) which caused the need occurred while the applicant was an employee of the Charlotte County Sheriff’s Office: **AND**
 - (2) **PERSONS COVERED.** That the assistance needed is for either the applicant or his/her spouse or child. On a case by case basis, if recommended by the Assistance Coordinator, who are directly and materially impacted by the circumstance(s) may be considered at the discretion of the Board of Directors; **AND**

(3) **EXHAUSTION OF OTHER SOURCES.** That the applicant does not have sufficient financial resources to meet the need, including life insurance received or receivable in the case of a death, and has reasonably exhausted all other avenues of obtaining financial assistance.

(4) **EXCEPTIONS to the requirements of 3, above:**

A) Within a 48-hour period following the death or catastrophic injury of an employee, or his/her spouse or child, assistance may be provided for food and drinks.

B) In the event of death, catastrophic injury or catastrophic medical condition (i.e. heart attack, stroke, etc.) of an employee, or his/her spouse or dependent child, airfare up to a maximum of \$1,000 per event may be provided for an employee, parent, parent-in-law, child or spouse (regardless of residency of anyone listed).

OR

(b) **DISASTER SITUATION.** That the need for assistance has arisen from a single natural or catastrophic disaster, even though outside of the geographical boundaries of Charlotte County, Florida, which has adversely impacted law enforcement agencies or their personnel. At the discretion of the Board of Directors, a contribution may be made to an established fund set up to assist the affected agencies and personnel. The provisions of paragraphs (a)2 and (a)3 shall apply to this subsection.

OR

(c) **OTHER THAN CCSO PERSONNEL.** That the need for assistance is for other full-time law enforcement personnel, while employed within Charlotte County, Florida, or a neighboring county, or for his/her spouse or dependent child. At the discretion of the Board of Directors and in the event of death or catastrophic event, a contribution may be made to the applicant's immediate family or to an established fund set up to assist the affected applicant or surviving immediate family member. Contribution amount not to exceed \$3,000. The provisions of paragraphs (a)2 and (a)3 shall apply to this subsection.

OR

(a) **CCSO RETIREES/FORMER EMPLOYEES.** That the need for assistance is for a retiree of the Charlotte County Sheriff's Office, or former employee of that agency who left employment in good standing after employment of five (5) years

or more; the total amount of assistance not to exceed \$1,500, except for an employee under disability retirement from the agency who dies from the line-of-duty injury (injuries) or exposure which caused the disability, such an employee to be considered as if a full-time employee under Section 2(a) above. On a case by case basis, if recommended by the Assistance Coordinator, the spouse, children, or other immediate family member of the retiree, deceased retiree or former employee (as defined above) may be considered at the discretion of the Board of Directors. The provisions of paragraphs (a)2 and (a)3 shall apply to this subsection.

OR

- (b) **LAW ENFORCEMENT MEMORIALS/CONFERENCES.** That the financial assistance shall be provided to support Law Enforcement Memorials, or to provide support for selected survivors of CCSO employees or former employees [as recognized by Concerns of Police Survivors (COPS), or other similar organizations, and approved by the CCSO Employee Assistance Fund Board of Directors] to attend Law Enforcement Memorials or Conferences, travel, lodging and per diem as coordinated through the CCSO Casualty Assistance Team. The provisions of paragraph (a)3 shall not apply to this subsection.
- (c) **FUNERAL EXPENSE LIMITATIONS.** With proof that the applicant has met the requirements of (a) 3, above, financial assistance for funeral expenses may be awarded up to \$5,000.00 in the case of an assistance request for the death of an active full-time employee (or his/her spouse or child), and \$1,500.00 in the case of an assistance request for any other qualifying immediate family member [or any retiree/former employee as defined in (d), above]. In no case shall more than \$5,000.00 be awarded for funeral expenses for any one death. Funeral expenses include, but are not limited to, funeral home charges, embalming, casket, grave liner/vault, hearse, transporting body, grave site, opening and closing grave, headstone/monument, cremation, and urn for cremains.

Section 3. Disclosure: Each applicant must fully complete a Trust Application For Benefits Form, including a Financial Disclosure form except where financial need is not required to be demonstrated in exigent circumstances. Confidentiality of all information shall be maintained as much as reasonably possible, it being Trust policy to protect the privacy of all applicants and their family members.

Section 4. Reports: Upon completion of application investigation, the Assistance Coordinators shall submit findings and recommendations to the board either in person or email. Each such report shall be reviewed by the Board of Directors via email, or at a meeting specifically called by the President for that purpose. The Board of Directors shall decide, by a majority vote of its members in attendance, whether or not the

applicant is entitled to financial assistance. Applicants' cases discussed at any meetings of the Board of Directors are confidential and shall not be discussed or disclosed outside the purview of the Trust.

Section 5. Notifications: Each applicant shall be notified within 5 business days, in writing after receiving all required documentation, as to the Board of Directors' decision on the applicant's application for financial assistance.

- (a) In the case of approval, this written notification shall include the length of time and the amount of funds to be granted.
- (b) In the case of denial, this written notification shall include the reason(s) the request was denied.
- (c) In the case of denial, a written appeal is permitted within fourteen (14) calendar days of the date of the written denial. Said appeal shall specify the basis for the appeal and any change in circumstances. It shall be reviewed by the President and Assistance Coordinator to determine whether to resubmit to the Board of Directors for consideration, their decision shall be final.

Section 6. Fund Disbursement: No funds shall initially be disbursed until the Trust Account balance reaches \$10,000. If at any time the balance drops below \$5,000.00, disbursement shall be suspended until the balance is over \$10,000.

Section 7. Funding Limitations: The Board of Directors shall in each approved application set a limit on the length of time and the amount of funds to be granted to the applicant. In fixing the length of time and the amount of funds granted, the Board of Directors shall consider the nature of the request, the applicant's financial situation, and shall whenever appropriate, ensure that payments are made directly from the Trust to creditors or vendors, unless agreed to by a two-thirds vote by the Board of Directors.

The maximum amount paid out to any applicant or applicant's family for any one event shall not exceed \$5,000.00 (inclusive of education expenses) or extend beyond two (2) years from the date of initial approval. For purposes of Educational Assistance, the recipient shall have five (5) years from initial approval to complete education. If further assistance is requested, the Assistance Coordinator shall submit his/her findings and recommendations (including all assistance provided to date) to the Board of Directors for further review and consideration.

In urgent situations, or in cases where assistance provided in a more timely manner will result in substantial cost-effectiveness, the President, or Vice-President in the absence of the President, with approval of the majority of the Executive Officers and the Assistance Coordinator, is authorized to expend funds up to \$2,500.00

prior to the next regularly monthly meeting for such an assistance request, not to exceed a total of \$3,000.00 prior to the next regular meeting. The President shall appoint one or more members of the Board to be responsible for facilitating and distributing the emergency funds to the proper party(ies).

No funds or financial assistance shall be provided from the Trust for the purposes of seminars, trips, or similar activities, except that financial assistance may be provided for hotels, transportation, and other activities associated with expenses relating to funerals, catastrophic medical care, disabilities, or Law Enforcement Memorials/Conferences.

Members of the Board of Directors may not vote on approval of requests for themselves or their immediate family members.

Section 8.

- (a) No employee (nor his/her immediate family) shall be eligible to make application for assistance, or to receive assistance, while the employee is a Director or Officer of the Corporation, except in a State of Emergency declared by the state Governor.
- (b) If an employee (or his/her immediate family) receives assistance, neither he/she (nor any member of his/her immediate family) shall be eligible to be a Director or Officer of the Corporation while receiving assistance, for one year after termination of assistance, except in a State of Emergency declared by the state Governor.
- (c) The Assistance Coordinator may not vote regarding application for assistance for himself/herself or his/her immediate family.

ARTICLE V – EDUCATIONAL ASSISTANCE

Section 1. Education Assistance shall be utilized to provide scholarship assistance to the spouse and/or dependent children of an employee who is killed, disabled, or deceased while actively employed by the Charlotte County Sheriff's Office. Eligibility shall be determined on an individual basis by the Board of Directors. Funds shall be utilized in pursuing an education at a vocational-technical school or in pursuing undergraduate studies at an accredited college or university located in the United States. Accreditation must be from one of the following: "The Higher Learning Commission (HLC)", "Northwest Commission on Colleges and Universities (NWCCU)", "Southern Association of Colleges and Schools (SACS)", "The Accrediting Commission for Community and junior Colleges, Western Association of Schools and Colleges

(ACCJC)", WASC Senior College and University Commission". To be eligible for scholarship assistance under the Trust, a person must:

- (a) Be the spouse or child of an employee as defined in Article V, Section 2, Subsection (a).
- (b) The spouse or child requesting educational assistance shall have graduated from high school or obtained a GED equivalency.
- (c) The spouse or child requesting educational assistance shall have been accepted for enrollment by the learning institution.
- (d) In the case of a child, shall become and maintain the status of full-time student throughout each school term, as defined by the school attended.
- (e) Maintain a minimum grade point average of 2.5 on a four point scale, or its equivalent while in the vocational-technical school, college or university being attended.
- (f) In the case of a child, shall be under the age of twenty-four (24) years.

Section 2. For purposes of application and interpretation of the benefits provided under this article, the term "disabled" shall mean the following: incapacitation to the extent the employee is unable to perform gainful employment and has been accepted totally disabled under Social Security Standards or Florida Workers' Compensation Standards.

Section 3. Persons eligible under the above mentioned criteria may request an Application for Scholarship Assistance. The application should be forwarded to the Assistance Coordinator for review. Upon review of the application, a recommendation shall be made to the Board of Directors by the Assistance Coordinator.

Section 4. Upon approval of the request by the Board of Directors, assistance may be granted according to the following guidelines:

- (a) The vocational-technical school, college, or university must be State or Federally accredited, see above (Section 1) for list of acceptable accreditation agencies.
- (b) Assistance for four-year undergraduate studies shall not exceed \$1,000.00 annually to cover tuition costs, lab fees, books, etc.
- (c) Assistance for two (2) year community college studies shall not exceed \$500.00 annually to cover tuition costs, housing, lab fees, books, etc.

- (d) Assistance for vocation or technical studies will be determined on an individual basis, but shall not exceed the limits established under the community college criteria above.

Section 5. All tuition payments from the Trust shall be made directly to the education institution. In the case of other approved expenses, payments shall be made to the applicant upon producing proper receipts.

Section 6. Continuation of payments shall be based upon prompt and timely receipt of grade reports forms from the school. Each form must verify full-time status in the case of a child, and the most recent and overall grade point average of the applicant. The Treasurer and Secretary shall work concurrently with the procedure and process necessary to carry out this function.

Section 7. For the purposes of education assistance as found under this article, this benefit may be provided retroactive at the discretion of the Board of Directors with two-thirds (2/3) favorable vote.

ARTICLE VI – AMENDMENTS

Proposed amendments to the By-Laws shall be submitted in writing and read at two (2) regular or special meetings of the Board of Directors. A vote and final action on the proposed amendment(s) may be taken at any time after the second reading has taken place. Upon adoption by two-thirds (3/2) of the members present at the meeting in which the vote takes place (provided such meeting shall have in attendance a quorum as provided by the Bylaws) the proposed amendment(s) shall immediately take effect.

ARTICLE VII – INDEMNIFICATION

Section 1. The Trust shall have power to indemnify any person who was or is a party to any proceeding (other than an action by, or in right of, the Trust) by reason of the fact that he or she is or was a member of the Board of Directors, an officer, employee, chairman, committee member, or agent of the Trust, or is or was serving at the request of the Trust as a member of the Board of Directors, an officer, employee, chairman, committee member, or agent or another corporation, against liability or loss incurred in connection with such proceeding, including any appeal thereof, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Trust, and with respect to any criminal action or proceeding, and no reasonable cause to believe his or her conduct was unlawful. Termination of any proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere (no contest) or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Trust, or with

respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. The Trust shall have power to indemnify any person who was or is a party to any proceeding by or in the right of the Trust to procure a judgment in its favor by reason of the fact that he or she is or was a member of the Board of Directors, an officer, employee chairman, committee member, or agent of the trust, or is or was serving at the request of the Trust as a member of the Board of Directors, an officer, employee, chairman, committee member, or agent of another corporation, against expenses and amounts paid in settlement, not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification shall be authorized if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Trust. However, no indemnification shall be made under this subsection in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable, unless, and only the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 3. To the extent that a member of the Board of Directors, an officer, employee, chairman, committee member, or agent of the trust has been successful on the merits or otherwise in defense of any proceeding referred to in Section 1 or Section 2, or in defense of any claim issue, or matter therein, he or she shall be indemnified against expenses actually and reasonably incurred by him or her in connection therewith.

Section 4. Any indemnification under Section 1 or Section 2 pursuant to a determination by a court shall be made by the Trust only as authorized in the specific case upon a determination that indemnification of a member of the Board of Directors, an officer, an employee, chairman, committee member, or agent of the Trust is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 1 and Section 2. Such determination shall be made:

- (a) By the Board of Directors by a majority vote of a quorum consisting of members who were not parties to such proceeding;
- (b) If such quorum is not obtainable, or even if obtainable, by majority vote of a committee duly designated by the Board of Directors (in which members who are parties may participate), consisting solely of two or more members not at the time parties to the proceeding; or

(c) By independent legal counsel:

- (1) Selected by the Board of Directors prescribed in paragraph (a), or the committee prescribed in paragraph (b); or
- (2) If a quorum of the members of the Board of Directors cannot be obtained for paragraph (a), and a committee cannot be designated under paragraph (b).

Section 5. Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified in Section 4 (c) 1. Or 2. Shall evaluate the reasonableness of expenses and may authorize indemnification.

Section 6. Expenses incurred by any person entitled to indemnification under Section 1 in defending a civil or criminal proceeding may be paid by the Trust in advance of the final disposition of such proceeding upon written agreement by or on behalf of such person to repay such amount if he or she is ultimately found not to be entitled to indemnification by the Trust.

Section 7. Indemnification or advancement of expenses shall not be made to or on behalf of a member of the Board of Directors, an officer, employee, chairman, committee member, or agent if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

- (a) A violation of criminal law, unless the member of the Board of Directors, an officer, employee, chairman, committee member, or agent had reasonable cause to believe his or her conduct was lawful, or had no reasonable cause to believe his or her conduct was unlawful;
- (b) A transaction from which the member of the Board of Directors, an officer, employee, chairman, committee member, or agent derived an improper personal benefit; OR
- (c) Willful misconduct or a conscious disregard for the best interests of the Trust in a proceeding by or in the right of the Trust to procure a judgment in its favor.

Section 8. Indemnification and advancement of expenses as provided in this Article shall continue unless otherwise provided when authorized or ratified, as to a person who has ceased to be a member of the Board of Directors, an officer, employee, chairman, committee member or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person, unless otherwise provided when

authorized or ratified. Indemnification shall not be made to the extent covered by available insurance.

Section 9. For purposes of this Article:

- (a) The term “expenses” includes attorney fees, including those for appeal, and such items as taxable costs and expenses determined by the Board to be reasonable and pertinent to the claim;
- (b) The term “liability” includes obligations to pay a judgment, settlement, penalty, fine, and expenses, actually and reasonably incurred with respect to a proceeding;
- (c) The term “proceeding” includes any threatened, pending, or completed action, suit, or other type of proceedings, whether civil, criminal, administrative, or investigative, and whether formal or informal;
- (d) The term “agent” includes volunteers;
- (e) The term “serving at the request of the trust” includes any service as a member of the Board of Directors, an officer, employee, chairman, committee member. Or agent of the Trust that imposes duties on such persons; and
- (f) The term “not opposed to the best interests of the Trust” describes the actions of a person who acts in good faith and in a manner he or she reasonably believes to be in the best interests of the Trust and its members.

ARTICLE VIII – CONFLICT OF INTEREST POLICY

Section 1. Purpose: The purpose of this conflict of interest policy is to protect the Charlotte County Sheriff’s Office Employee Trust Fund, Inc.’s (the Trust) interests when the Trust is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Trust, or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any existing provisions in the Trust’s By-laws and any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions: The following definitions shall control in matters relating to this Conflict Of Interest Policy:

- (a) **Interested Person** – Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) **Financial Interest** – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Trust has a transaction or arrangement,
 2. A compensation arrangement with the Trust or with any entity or individual with which the Trust has a transaction or arrangement, or
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Trust is negotiating a transaction or arrangement.
- (c) **Compensation** – Compensation included direct and indirect remuneration, as well as gifts or favors that are not insubstantial. However, a financial interest is not necessarily a conflict of interest. Under section 3(c)4, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Procedures:

- (a) **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 and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- (b) **Determining Whether a Conflict of Interest Exists** – After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- (c) **Procedures for Addressing the Conflict of Interest**
1. An interested person may make a presentation at the governing board or committee 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.
 2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 3. After exercising due diligence, the governing board or committee shall determine whether the Trust 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.
 4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the

governing board or committee shall determine by a majority vote of the disinterested directors/committee members whether the transaction or arrangement is in the Trust's 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.

(d) **Violations of the Conflicts of Interest Policy:**

1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actually 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.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings: The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or 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 the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation:

- (a) A voting member of the governing board who receives compensation, directly or indirectly, from the Trust for services is precluded from voting on matters pertaining to that member's compensation.
- (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Trust for services is precluded from voting on matters pertaining to that member's compensation.
- (c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or

indirectly, from the Trust, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements: Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy,
- (b) Has read and understands the policy
- (c) Has agreed to comply with the policy, and
- (d) Understands the Trust 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.

Section 7. Periodic Reviews: To ensure the Trust operates in a manner consistent with charitable purposes 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:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Trust's 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.

Section 8. Use of Outside Experts: When conducting periodic reviews as provided for in Section 6, the Trust 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.