

POLICY

Series:	Board Governance	COA: GOV 7 CFOP: N/A
Policy Name:	Separate Legal Entities	
Policy Number:	GOV211	
Review Date:	9/20/2021, 10/20/2022, 7/20/2023	
Revision Date:	7/25/2019, 2/10/2020, 9/23/2021, 10/27/2022, 7/27/2023	
Effective Date:	3/23/2017	
Applicable to:	Brevard Family Partnership Family of Agencies (BFP FOA) Governance Board of Directors) and Brevard Family Partnership Family of Agencies Staff	

SUBJECT: Separate Legal Entities

PURPOSE: The purpose of this procedure is to address the preparation for a new legal entity as well as the relationship between the BFP FOA Governance Board of Directors and any subsidiaries of Brevard Family Partnership (BFP).

Forming a subsidiary:

The BFP FOA Governance Board of Directors properly plans for, oversees, and monitors the activities of separate legal entities established on its behalf in accordance with applicable law and regulation.

Prior to forming a for-profit or a not-for-profit subsidiary, the BFP FOA Governance Board of Directors:

- conducts a feasibility study which includes, but is not limited to, a cost-benefit analysis and an assessment of the legal implications involved;
- creates a business plan and, as appropriate, revises its strategic plan highlighting the purpose of the subsidiary and how the relationship fits into BFP's goals;
- determines whether the proposed venture has sufficient capital, resources, and marketability to ensure success;
- and adopts a policy regarding the acquisition, use, and distribution of subsidiary revenue consistent with all applicable legal, regulatory, contractual, and funding obligations.

BFP; the parent organization:

- exercises legally permissible oversight of any entity that raises or holds funds or assets on its behalf;
- has a written agreement that clearly describes the relationship between the organization's governing body and the separate legal entity;
- clearly articulates the corporate structure, the roles, relationships, and responsibilities of all parties; and
- ensures completion of the above through consultations with attorneys, analyzing whether sufficient capital and resources exist, and determining marketability. The BFP FOA Governance Board of Directors also reviews how the subsidiary connects to the overall

goal and strategic plan of BFP. Some of the factors may include determining the purpose of the new entity, the target population to be served and the benefit to the clients served by BFP FOA.

Leadership of the parent organization has regular and ongoing communication with the leadership of its subsidiary or subsidiaries. At least annually, the governing body of the parent organization reviews its relationship to its subsidiary or subsidiaries to determine whether the relationship(s) continue to serve the best interests of both the parent organization and its external stakeholders, including persons and families served.

Once the BFP FOA Governance Board of Directors approves the creation of a new subsidiary, the Board reviews and approves Articles of Incorporation and Bylaws for the new entity and appoints a BFP FOA Governance Board member or designee to serve as the new entity Advisory Board Chair. The Advisory Board Chair will serve on the BFP FOA Governance Board of Directors as a community member. The BFP FOA Governance Board of Directors also approves the founding board members required to submit the Bylaws and Articles.

All agreements between BFP and any subsidiaries of BFP are conducted through formal contracts for services and service agreements, when appropriate.

Interface of subsidiaries with the Brevard Family Partnership Family of Agencies Governance Board of Directors:

The Advisory Board of Directors for each subsidiary will nominate any prospective candidate for the subsidiary's Advisory Board of Directors. The Executive of the subsidiary will then present any approved nominated candidate to the BFP FOA Governance Board of Directors for approval. Once approved, the Board Chair of the subsidiary Advisory Board will (by way of letter) inform successful candidates of their election and thank other applicants who were not selected for their interest.

Additionally, a representative from each subsidiary provides at least twice a year, reports regarding the activities of the subsidiary to the BFP FOA Governance Board of Directors. The BFP FOA Governance Board of Directors will review the activities of each subsidiary at least annually to ensure the activities are consistent with the established purpose of the subsidiary and distribution of subsidiary revenue is consistent with all applicable regulatory and contractual obligations.

Approved by the Brevard Family Partnership Governance Board of Directors on July 27, 2023.

AS APPROVED BY THE BOARD OF
DIRECTORS:



DANIEL P. RODGERS
Board Chair

Signature Date: 8/22/2023

BY DIRECTION OF THE PRESIDENT AND
CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
President and Chief Executive Officer
Brevard Family Partnership / Family of Agencies

Signature Date: 8/22/2023