

Subject: Conflicts of Interest Policy

Effective Date: December 08, 2006

Approved By: Board of Directors

The Directors and Employees of the charter school owe a duty of loyalty to the organization, which requires that in serving the school they act, not in their personal interests or in the interests of others, but rather solely in the interests of the school. Directors and Employees must have undivided allegiance to the school's mission and may not use their positions as Directors and Employees, information they have about the school, or the school's property, in a manner that allows them to secure a pecuniary benefit for themselves or their relatives. ¹

The conduct of direct personal business between any Director or Employee and the school is prohibited. Business transactions of the school in which a Director or Employee has an interest shall not be prohibited, but they shall be subject to close scrutiny. Such proposed transactions shall be reviewed carefully to determine that they are in the best interests of the school and that they will not lead to conflict of interest.¹ For the purposes of this policy, a Director or Employee has an interest in a proposed transaction if he/she has a substantial financial interest in it, or has a substantial financial interest in any organization involved in the proposed transaction, or holds a position as trustee, director, general manager, or principal officer in any such organization. Prior to the start of any negotiations, or consideration of a grant request by the organization, Directors and Employees are expected to make full disclosure to the best of their knowledge of any dual interest in a proposed transaction by submitting a report, either written or verbal, to the President or other officer designated by the Board to handle such matters, supplying any reasons why the transaction might not be in the best interest of the school. In matters requiring prior approval of the Board of Directors, the President or other officer shall forward copies of this disclosure report to the Board before its approval.

A Director or Employee with a dual interest in a proposed transaction shall not vote on the matter and shall not participate in any discussion of the matter. Employees of the school who also serve on the Board of Directors shall not participate in collective bargaining negotiations or discussion of salary issues for individual employees, and may not vote on any matters that directly or indirectly influence their salary' and benefits or those of other employees.

A Director or Employee shall not use inside information of the school for his/her personal benefit, or use such inside information or his/her position as Director or Employee to the detriment of the school.

Each Director or Employee has a duty to place the interests of the school foremost in any dealings involving the organization and has a continuing responsibility to comply with the requirements of this Policy. On an annual basis, each Director or Employee is required to complete a Director or Employee Disclosure Statement if the Director or Employee has business interests that may conflict with the interests of the school.

Adapted with permission from a conflict of interest policy drafted by the National Center for Nonprofit Boards.

1 *For the purposes of this policy, relative means spouse, parents, siblings, children, grandchildren, the spouses of children and grandchildren, and any other blood relative, if the latter resides in the same household.*

Original Policy 04/17/02
Revised Policy 12/08/06

Conflict-of-Interest Disclosure Statement

Please initial in the space at the end of Item A or complete Item B, whichever is appropriate, complete Item C, and sign and date the statement and return it to the board chair.

- A. I am not aware of any relationship or interest or situation involving my family or myself which might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and the school on the other. _
- B. The following are relationships, interests or situations involving me or a member of my family which I consider might result in or appear to be an actual, apparent or potential conflict of interest between such family members or myself on one hand and the school on the other.

For-profit corporate directorships, positions and employment with;

Nonprofit trusteeships of positions:

Memberships in the following organizations:

Contracts, business activities and investments with or in the following organizations:

Other relationships and activities;

- C. My primary business or occupation at this time is:

I have read and understand the school's conflict-of-interest policy and agree to be bound by it. I will promptly inform the board chair of the school of any material change that develops in the information contained in the foregoing statement.

Type/Print Name: _____ Signature: _____

Date: _____

Adapted with permission from a disclosure statement drafted by the National Center for Nonprofit Boards.