Adopted:

Revised:

# **OCEAN OF WISDOM (the “Charter School”)**

# **POLICY No. \_\_\_**

**Conflict of Interest Policy**

**GENERAL STATEMENT OF POLICY**

It is the policy of Ocean of Wisdom School’s Board of Directors to conform to statutory conflict of interest laws and act in a manner that will avoid any conflict of interest or the appearance thereof pursuant to Minn. Stats. § 124E.14 and 124E.07. The purpose of this policy is to ensure that all board members engage in charter school business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety. Ocean of Wisdom School will also comply with federal statutes regarding conflict of interest and federal grant administration as described in its Bidding and Procurement for Federal Charter School Program Grant Fund Policy.

A conflict of interest can generally be described as a situation in which a Board Member’s loyalty is, or may appear to be, divided between self-interest and the interests of a third-party and the interests of Ocean of Wisdom School. The types of activities and relationships that one must avoid include, but are not limited to:

1. Accepting, agreeing to accept, or soliciting money or other tangible or intangible benefits in exchange for favorable decisions or actions in the performance of your job or that might appear to influence your decision-making or professional conduct;
2. Accepting employment or compensation or engaging in any business or professional activity that might require disclosure of confidential information or trade secrets;
3. Accepting employment or compensation that could reasonably be expected to impair your independent judgment in the performance of your duties;
4. Accepting a kickback, bribe, substantial gift, or special consideration as a result of any business dealings involving Ocean of Wisdom Charter School;
5. Giving preferential treatment to any person or company in which you, a relative, spouse, partner, child, or a friend has a significant ownership interest or relationship.

**CONFLICTING BUSINESS RELATIONSHIPS**

No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when: (1) the board member, employee, officer, or agent; (2) the immediate family member of the board member, employee, officer, or agent; (3) the partner of the board member, employee, officer, or agent; or (4) an organization that employs or is about to employ any individual in clauses (1) to (3), has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.

The conflict-of-interest provisions under this section do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.

A charter school board member, employee, or officer is a local official for purposes of section 471.895 with regard to receipt of gifts as defined under section 10A.071, subdivision 1, paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.

No charter school employee or board member may serve on the board or decision-making committee of the school's authorizer. An employee or school board member must disclose to the school's board of directors any paid compensation they receive from the school's authorizer.

The chief administrator may only serve as an ex-officio non-voting board member. No charter school employees shall serve on the board other than teachers who must (1) be employed by the school or provide at least 720 hours of service under a contract between the charter school and a teacher cooperative; (2) be a qualified teacher as defined under section 122A.16, either serving as a teacher of record in a field in which the individual has a filed license, or providing services to students the individual is licensed to provide; and (3) not serve in an administrative or supervisory capacity for more than 240 hours in a school calendar year.

A contractor providing facilities, goods, or services to a charter school must not serve on the board of directors. In addition, an individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual’s partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section. A violation of this paragraph renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates this paragraph is individually liable to the charter school for any damage caused by the violation.

Any employee, agent, contractor, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.

An individual is prohibited from serving on more than one charter school board at the same time in either an elected or ex-officio capacity, except that an individual serving as an administrator serving more than one school under section 124E.12, subdivision 2, paragraph (f), may serve on each board as an ex-officio member.

Ocean of Wisdom School must not enter into a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

A related party permitted to enter into a lease under this paragraph must include the following statement in the lease: "This lease is subject to Minnesota Statutes, section 124E.13, subdivision 2."

If Ocean of Wisdom School leases space from a related party and the charter school subsequently closes, the commissioner has the right to recover from the related party any lease payments in excess of those that are reasonable under section 124E.22, paragraph (a), clause (1).

**DETERMINATION OF CONFLICT OF INTEREST**

The determination as to whether a conflict of interest exists is to be made by the school board in concert with a proper reading of the statute and this policy. Any school board member who has an actual or potential conflict shall notify the school board of such conflict immediately. The school board member shall thereafter cooperate with the school board as necessary for the school board to make its determination.

**ANNUAL STATEMENTS**

1. Board of Directors

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

1. Has received a copy of the conflicts of interest policy
2. Has read and understands the policy
3. Has agreed to comply with the policy
4. Understands that Ocean of Wisdom School is charitable and in order to maintains its federal tax exemption it must engage primarily in activities, which accomplish one or more of its tax-exempt purposes.

2. Employees

Employees will participate annually in training regarding conflicts of interest and complete a Conflict of Interest Disclosure Form. Employees must disclose actual or potential conflicts or any relationship that may create the appearance of a conflict of interest to your supervisor, in writing, as soon as you become aware of them so that safeguards can be established to protect all parties. The director will investigate any conflicts of interest and determine if disciplinary action, including suspension or termination, is warranted.

Failure to make required disclosures or resolve conflicts of interest satisfactorily may result in discipline up to and including termination of employment, as determined by the Executive Director and School Board.

**DISCLOSURE AND REPORTING**

The director and School Board Chair will disclose all violations of federal criminal law involving fraud, bribery, or gratuity violations to appropriate authorities and the Minnesota Department of Education (MDE).

**BOARD MEMBER POLICY RECEIPT ACKNOWLEDGEMENT**

Please read the Charter School Board Member Conflict of Interest policy carefully to ensure that you understand the policy before signing this document.

I have read and been informed about the content, requirements, and expectations of the Charter School Board Member Conflict of Interest policy for members of Ocean of Wisdom School. I have received a copy of the policy and agree to abide by the policy guidelines as a condition of my appointment and my continuing service on the Ocean of Wisdom School Board of Directors.

I understand that if I have questions, at any time, regarding the Charter School Board Member Conflict of Interest policy, I will consult with the Board Chair or Vice Chair.

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Board Member Name (Printed)

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Board Member Signature

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Date

Legal References: Minn. Stat. § 124E.14 and Minn. Stat. § 124E.07

**Original Creation Date:**

**Last Approved By:**

**Last Approved Date:**

**Year Reviewed:**