

210 Conflict of Interest

Adopted: January 4, 2009

Revised: May 12, 2011

Revised: November 10, 2011

I. Purpose

To comply with state statute 124D.10 regarding conflict of interest for charter school board members and to engage in charter school business activities in a fashion designed to avoid conflicts of interest or the appearance of impropriety.

II. General Statement of Policy

It is the policy of the Board of Directors to conform with statutory conflict of interest laws and, in addition, act in a manner that will avoid conflicts of interest or the appearance thereof in its members official and private capacities.

III. Conflicting Business Relationships

- A. For purposes of this policy, a Director shall be defined as (1) a member of the Board of Directors, (2) an elected or appointed member or officer of a committee, (3) a member of a committee by attendance or assignment, (4) a paid employee, or (5) any person who might have a financial or personal interest in a transaction.
- B. The charter school board member conflict of interest provisions do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the Board of Directors, nor do they apply to a member of the Board of Directors in their capacity as a teacher who provides services to CRSS through a cooperative formed under Minn. Statute (chapter 18308A).
- C. No member of the Board of Directors, employee, officer, or agent of CRSS shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:
 - a. the board member, employee, officer or agent;
 - b. the immediate family member of the board member, employee, officer, or agent;
 - c. the partner of the board member, employee, officer, or agent;
 - d. an organization that employs, or is about to employ any individual covered under clauses (a), (b), or (c)

has a financial or other interest in the entity with which CRSS is contracting. A violation of this provision renders the contract void.

- D. An individual is prohibited from serving on the Board of Directors if the individual, an immediate family member, or the individual's partner is an owner, employee, or agent of, or a contractor with a for-profit or nonprofit entity or individual with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. An individual may serve on the Board of Directors if no conflict of interest exists under this paragraph.
 - 1. A violation of this prohibition is a violation of state law, and is therefore cause for a Board of Directors member to be removed.
 - 2. A violation of this prohibition renders any and all contracts with the for-profit or nonprofit entity voidable at the option of the Commissioner or the Board of Directors.
 - 3. A member of the Board of Directors who violates this prohibition shall be individually liable to CRSS for any damage caused by the violation.
- E. Any employee, agent, or board member of the CRSS authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the CRSS Board of Directors.

IV. **Federal Funds**

- A. No employee, officer or agent of Cannon River STEM School shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:
 - a. the employee, officer or agent,
 - b. any member of his immediate family,
 - c. his or her partner, or
 - d. an organization which employs, or is about to employ, any of the above,has a financial or other interest in the firm selected for award. Cannon River STEM School's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements.
- B. An agent or employee of Cannon River STEM School may not participate in an administrative decision regarding a project supported by Federal funds if the decision is likely to benefit that person or a member of his or her immediate family. No person participating in the project may use his or her position that is, or gives the appearance of being, motivated by a desire for a private financial gain for that person or for others.

V. **Procurement**

All decisions regarding awarding of contracts and procurement of goods and services for Cannon River STEM School shall proceed in accordance with the school's procurement policy, and be consistent with this conflict of interest policy. All persons authorized to make

decisions under the procurement policy shall be held to the standards regarding conflict of interest detailed in this policy.

VI. **Annual Audit**

After the close of each fiscal year, Cannon River STEM School shall obtain a financial audit made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. The auditor shall be chosen according to the standards set forth in the Cannon River STEM School procurement policy and in this conflict of interest policy. As part of this audit, each related party, including members of the board of directors, shall furnish a statement disclosing any material interest in transactions in which Cannon River STEM School is a party. Should any conflict of interest be found through the audit process, the recommended corrective action will be taken.

References

Minnesota Statute.

Minnesota Statute 124d.10, subd. 4a (Charter Schools: Conflict of interest).

Code of Federal Regulations.

Code of Federal Regulations, Title 34 (Education). 80.26 (Non-Federal Audit)

Code of Federal Regulations, Title 34 (Education). 75.525 (Conflict of Interest: Participation in a project).

Code of Federal Regulations, Title 34 (Education). 80.36 (Procurement).

Cannon River STEM School Policy.

Procurement Policy.