

MATH AND SCIENCE ACADEMY

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210.1 CONFLICT OF INTEREST – CHARTER SCHOOL BOARD MEMBERS

I. PURPOSE

The purpose of this policy is to observe state statutes regarding conflict of interest for charter school board members and to engage in charter school business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

II. GENERAL STATEMENT OF POLICY

It is the policy of the Board of Directors (BOD) to contract for goods and services in conformance with statutory conflict of interest laws and in a manner that will avoid any conflict of interest or the appearance thereof. Accordingly, the BOD will contract under the statutory exception provisions only when it is clearly in the best interest of the Math and Science Academy (MSA) because of limitations that may exist on goods or services otherwise available to MSA.

III. GENERAL PROHIBITIONS AND RECOGNIZED STATUTORY EXCEPTIONS

- A. A BOD member who is authorized to take part in any manner in making any sale, lease, or contract in his or her official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially there from.
- B. In the following circumstances, however, the BOD may as an exception, by unanimous vote, contract for goods or services with a BOD member of the MSA:
 - 1. In the designation of a bank or savings association, in which a BOD member is interested, as an authorized depository for MSA funds and as a source of borrowing, provided such deposited funds are protected in accordance with Minn. Stat. Ch. 118A. Any BOD member having said interest shall disclose that interest and the interest shall be entered upon the minutes of the school board minutes. Disclosure shall be made when such bank or savings association is first designated as a depository or source of borrowing, or when such BOD member is elected, whichever is later. Disclosure serves as notice of the interest and need only be made once;
 - 2. The designation of an official newspaper, or publication of official matters therein, in which the school board member is interested when it is the only newspaper complying with statutory requirements relating to the designation or publication;
 - 3. A contract with a cooperative association of which the school board

- member is a shareholder or stockholder but not an officer or manager;
4. A contract for which competitive bids are not required by law. A contract made under this exception will be void unless the following procedures are observed:
 - a. The BOD must authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low as or lower than the price at which the goods or services could be obtained elsewhere.
 - b. In the case of an emergency when the contract cannot be authorized in advance, payment of the claims must be authorized by a like resolution wherein the facts of the emergency are also stated.
 - c. Before a claim is paid, the interested BOD member shall file with the clerk of the BOD an affidavit stating:
 - i. The name of the BOD member and the office held;
 - ii. An itemization of the goods or services furnished;
 - iii. The contract price;
 - iv. The reasonable value;
 - v. The interest of the BOD member in the contract; and
 - vi. That to the best of the BOD member's knowledge and belief, the contract price is as low as, or lower than, the price at which the goods or services could be obtained from other sources.
 5. A BOD member may contract with the BOD to provide construction materials or services, or both, when the sealed bid process is used. When the contract comes before the BOD for consideration, the interested BOD member may not vote on the contract.
 6. A BOD member may rent space in a public facility at a rate commensurate with that paid by other members of the public.
- C. In the following circumstances, the BOD may as an exception, by majority vote at a meeting at which all BOD members are present, contract for services with a BOD member of the MSA:
1. A BOD member may be newly employed or may continue to be employed by the BOD as an employee only if there is a reasonable expectation on July 1, or at the time the contract is entered into or extended, that the amount to be earned by that BOD member under that contract or employment relationship, will not exceed \$8,000 in that fiscal year. If the BOD member does not receive majority approval to be initially employed or to continue in employment at a meeting at which all BOD members are

present, that employment is immediately terminated and that BOD member has no further rights to employment while serving as a BOD member in the MSA.

- D. The BOD may contract with a class of MSA employees, such as teachers or custodians, when the spouse of a BOD member is a member of the class of employees contracting with the BOD and the employee spouse receives no special monetary or other benefit that is substantially different from the benefits that other members of the class receive under the employment contract. For the BOD to invoke this exception, it must have a majority of disinterested BOD members vote to approve the contract, direct the BOD member spouse to abstain from voting to approve the contract, and publicly set out the essential facts of the contract at the meeting in which the contract is approved.

IV. LIMITATIONS ON RELATED EMPLOYEES

- A. The BOD must hire or dismiss teachers only at duly called meetings. When a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher may be made or authorized except upon the unanimous vote of the full BOD.
- B. The BOD may not employ any teacher related by blood or marriage to a BOD member, within the fourth degree as computed by the civil law, except by a unanimous vote of the full BOD.

V. CONFLICTS PRIOR TO TAKING OFFICE

A BOD member with personal financial interest in a sale, lease, or contract with the MSA which was entered before the BOD member took office and presents an actual or potential conflict of interest, shall immediately notify the BOD of such interest. It shall thereafter be the responsibility of the BOD member to refrain from participating in any action relating to the sale, lease, or contract. At the time of renewal of any such sale, lease, or contract, the BOD may enter into or renew such sale, lease, or contract only if it falls within one of the enumerated exceptions for contracts relating to goods or services provided above and if the procedures provided in this policy are followed.

VI. DETERMINATION AS TO WHETHER A CONFLICT OF INTEREST EXISTS

The determination as to whether a conflict of interest exists is to be made by the BOD. Any BOD member who has an actual or potential conflict shall notify the BOD of such conflict immediately. The BOD member shall thereafter cooperate with the BOD as necessary for the BOD to make its determination.