

# **CONFLICT OF INTEREST POLICY**

---

## **ARTICLE I PURPOSE**

Section 1. **PURPOSE.** The purpose of this conflict of interest policy ("Policy") is to protect Empower Generations Charter School ("School") interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the School or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to charter schools.

## **ARTICLE II DEFINITIONS**

Section 1. **INTERESTED PERSON.** Any director, officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

Section 2. **FINANCIAL INTEREST.** A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- a) An ownership or investment interest in any entity with which the School has a transaction or arrangement;
- b) A compensation arrangement with the School or with any entity or individual with which the School has a transaction or arrangement; or
- c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the School is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the governing Board decides that a conflict of interest exists.

## **ARTICLE III PROCEDURES**

Section 1. **DUTY TO DISCLOSE.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

Section 2. **DETERMINING WHETHER A CONFLICT EXISTS.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person,

he/she shall recuse him/herself, and leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining financially disinterested Board members shall decide if a conflict of interest exists.

**Section 3. PROCEDURES FOR ADDRESSING THE CONFLICT.** The procedures for addressing the conflict of interest are:

- a) An interested person should disclose his/her potential conflict of interest at the Board meeting. Then he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b) The Board President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board shall determine whether the School can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the School's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

**Section 4. VIOLATIONS OF THE POLICY.** Violations of the conflict of interest policy include:

- a) If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **ARTICLE IV RECORDS OF PROCEEDINGS**

**Section 1. RECORDS OF PROCEEDINGS.** The minutes of the Board shall contain:

- a) The names of persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to

the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**ARTICLE V  
COMPENSATION**

Section 1. COMPENSATION. A member of the Board who receives compensation, directly or indirectly, from the School for services is precluded from voting on matters pertaining to that member's compensation.

\* \* \* \* \*

The Empower Generations Charter School Board of Directors hereby adopts this Conflict of Interest Policy, which shall apply to all Board members, officers, candidates for membership and office on the Board, and committee members with governing Board delegated powers.

Date: Feb. 27, 2017, 2016

  
\_\_\_\_\_  
Board Secretary