



## CONFLICT OF INTEREST POLICY

### **Purpose**

The purpose of the Conflict of Interest Policy is to protect the interests of the Tomorrow River Community Charter School (TRCCS), a tax-exempt organization, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, Director, committee member, member, or employee of the TRCCS or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal conflict of interest laws applicable to nonprofit and charitable organizations.

### **Definitions**

#### Interested Person

- Any Board officer, Board member, member of a committee, or employee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### Financial Interest

- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family, any of the following.
  - An ownership or investment interest in any entity with which TRCCS has a transaction or arrangement.
  - A compensation arrangement with the TRCCS or with any entity or individual with which the TRCCS has a transaction or arrangement.
  - A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the TRCCS 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 procedures, a person who has a financial interest may have a conflict of interest only if the Governance Board or committee decides that a conflict of interest exists.

### **Procedures**

#### 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 Governance Board, and members of committees, or employees with Board-delegated powers considering the proposed transaction or arrangement.

#### Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the Board officer, Board member, committee member or employee shall leave the

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Governance Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Governance Board or committee members shall decide if a conflict of interest exists.

Procedures for Addressing the Conflict of Interest

- A interested person may make a presentation at the Governance Board or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- The Chair of the TRCCS's Governance Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, the Governance Board or committee shall determine whether the TRCCS 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.
- If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Governance Board or committee shall determine by a majority vote of the disinterested Governance Board or committee whether the transaction or arrangement is in the TRCCS'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 or not to enter into the transaction or arrangement.

Violations of the Conflicts of Interest Policy

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

**Records of Proceedings**

The minutes of the Governance Board and all committees with Board-delegated powers shall contain the following information.

- The names of the 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 Governance Board's or committee's decision as to whether a conflict of interest in fact existed.
- 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.

***I understand and will abide by the above Conflict of Interest Policy.***

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date