

ASPEN ACADEMY

Adopted: _____

Revised: 6-2011, 2-15-2022

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210 CONFLICT OF INTEREST – SCHOOL BOARD MEMBERS AND EMPLOYEES

I. PURPOSE

The purpose of this policy is to observe state statutes regarding conflicts of interest for charter school board members and employees 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 school to conform with statutory conflict of interest laws and act in a manner that will avoid any conflict of interest or the appearance thereof.

III. CONFLICTING BUSINESS RELATIONSHIPS

A. Serving as a Board Member.

1. An individual is prohibited from serving as a member of the Board of Directors if: (1) the individual, an immediate family member, or the individual's partner is ~~an~~ a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. A violation of this prohibition renders a contract voidable at the option of the Commissioner of Education (Commissioner) or the Board of Directors. A school board member ~~or~~ who violates this prohibition is individually liable to the school for any damage caused by the violation. An individual may serve as a school board member if no conflict of interest exists under this paragraph, consistent with Minnesota Statutes section 124E.07, as amended.
2. No school employees shall serve on the Board of Directors other than licensed teachers who are employed as teachers at the school or

provide instruction under contract between the school and a cooperative.

3. Contractors providing facilities, goods, or services to the school shall not serve on the Board of Directors.
4. Any employee, agent, or board member of the school's authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the school is ineligible to serve on the Board of Directors.

B. Participating in a Contract. No member of the Board of Directors, employee, officer, or agent of the school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict of interest exists when: (1) the board member, employee, officer, or agent; (2) the immediate family 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 school is contracting. A violation of this prohibition renders the contract void.

C. No Conflict. The conflict of interest provisions in Section III.B. above do not apply to compensation paid to a teacher employed as a teacher by the school or a teacher who provides instructional services to the school through a cooperative formed under Minnesota Statutes chapter 308A when the teacher also serves on the Board of Directors.

IV. CONFLICTS OF INTEREST

- A. The following standard is based on case law. *See E.T.O., Inc. v. Town of Marion*, 375 N.W.2d 815, 819 (Minn. 1985); *Township Bd. of Lake Valley Tp., Traverse County v. Lewis*, 234 N.W.2d 815, 818-19 (Minn. 1975); *Lenz v. Coon Creek Watershed Dist.*, 153 N.W.2d 209, 219 (Minn. 1967). The school will comply this standard and any further developments in case law.
- B. A member of the Board of Directors may not participate in proceedings in a decision-making capacity when they have a direct personal interest in the outcome of those proceedings.

C. The following factors will be analyzed to determine whether the board member's direct interest in the outcome of the proceedings disqualifies them from participating:

1. the nature of the decision being made;
2. the nature of the pecuniary interest;
3. the number of board members making the decision who ~~are interested~~ have a direct interest;
4. the need, if any, to have interested persons make the decision; and
5. the other means available, if any, such as the opportunity for review, that serve to ensure that board members will not act arbitrarily to further their selfish interests.

V. GIFTS

A board member, employee, or officer is a local official for purposes of Minnesota Statutes section 471.895, as amended, with regard to receipt of gifts. A board member, employee, or officer must not receive compensation from a group health insurance provider.

VI. COMPLETION OF CONFLICT- OF-INTEREST STATEMENT

Each school board member or employee must complete a conflict-of-interest statement for review by the Board within thirty (30) days of his or her election or hiring date, and shall annually complete such a statement on the anniversary of his or her election or hiring date or on such an annual date that the Board may select. The Board will provide all such conflict of interest statements to its authorizer.

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 school board. Any school board member or employee who has an actual or potential conflict shall notify the school board of such conflict immediately. The school board member or employee shall thereafter cooperate with the school board as necessary for the school board to make its determination.