|  |
| --- |
| Northeast College Prep**Policy # 210: CONFLICT OF INTEREST**Adopted: 4/29/14Revision Date: 5/19/20  |

1. **Purpose**

The purpose of the conflict of interest policy is to protect Northeast College Prep’s interest when it is contemplating entering into a transaction or arrangement that might result in an excess benefit transaction. This policy is intended to supplement but not replace, applicable state and federal laws governing conflict of interest applicable to nonprofits, charitable organizations, and chartered public schools.

1. **General Statement of Policy**

It is the policy of the charter school board to conform to statutory conflict of interest laws and act in a manner that will avoid any conflict of interest or the appearance thereof. This policy addresses compliance requirements with MN Stat. 124E.14; 34 CFR Part 80.26(b) and 36(b)(3); and 34 CFR Part 75.525(a) & (b).

1. **Minnesota Statute**

Northeast College Prep will conform with MN Statute 124E.14 as shown below:

124E.14 Conflicts of interest.

*(a) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict 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 charter school is contracting. A violation of this prohibition renders the contract void.*

*(b) The conflict of interest provisions under this section do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.*

*(c) A charter school board member, employee, or officer is a local official for purposes of section*[*471.895*](https://www.revisor.mn.gov/statutes/cite/471.895)*with regard to receipt of gifts as defined under section*[*10A.071, subdivision 1*](https://www.revisor.mn.gov/statutes/cite/10A.071#stat.10A.071.1)*, paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.*

1. **Federal Statute**

Northeast College Prep will comply with federal statutes regarding conflict of interest and federal grant administration.

1. 34 Code of Federal Regulations (CFR) Part 80.36(b): 3.

Northeast College Prep will conform with 34 Code of Federal Regulations (CFR) Part 80.36(b): (3) which reads as follows:

*Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee 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:*

1. *The employee, officer or agent,*
2. *Any member of his immediate family*
3. *His or her partner, or*
4. *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. The grantee's or subgrantee'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. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.*

1. 34 CFR Part 75.525 (a) & (b) Participation in a Project

(a) A grantee may not permit a person to participate in an administrative decision regarding a project if:

(1) The decision is likely to benefit that person or a member of his or her immediate family; and

(2) The person:

(i) Is a public official; or

(ii) Has a family or business relationship with the grantee.

(b) A grantee may not permit any person participating in the project to use his or her position for a purpose that is – or gives the appearance of being – motivated by a desire for a private financial gain for that person or for others.

1. **Code of Standards for Employees**
2. Standards
	1. Any Northeast College Prep employee responsible for federal grant funds will disclose any and all conflicts of interest as described in the above federal regulation.
	2. Northeast College Prep employees responsible for federal grant administration will comply with all federal procurement regulations.
	3. Northeast College Prep employees responsible for federal grant administration will comply with all federal regulations regarding expenses.
	4. Northeast College Prep employees responsible for federal grant administration will provide required documentation regarding grant expenditures.
	5. Northeast College Prep employees responsible for federal grant administration will have all expenditures approved by the Northeast College Prep school board before expending any grant funds.
	6. All Northeast College Prep employees are required to report any suspected misconduct regarding federal grant expenditures to the Director and/or Board of Directors.
3. Enforcement of Standards
	1. Northeast College Prep employees responsible for federal grant administration who violate the above code of standards will be subject to disciplinary action up to and including dismissal from their position
	2. Northeast College Prep will prosecute to the full extent of the law any employees who violate state or federal laws regarding federal grant administration.

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

1. **Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

* 1. Has received a copy of the conflicts of interest policy.
	2. Has read and understands the policy
	3. Has agreed to comply with the policy
	4. Understands that Northeast College Prep is charitable and in order to maintains its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Legal References

*MN Statute 124E.14*

*34 Code of Federal Regulations (CFR) Part 80.36(b): 3.*

*34 CFR Part 75.525 (a) & (b) Participation in a Project*

**Northeast College Prep Conflict of Interest Statement**

Board member full name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I have read and am familiar with the Northeast College Prep board policy concerning conflicts of interest (Policy 210), and I have initialed the line opposite the appropriate paragraph below.

\_\_\_\_\_\_\_\_\_\_ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken action which would contravene the policy of the Northeast College Prep board of directors.

\_\_\_\_\_\_\_\_\_\_ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken any action which would contravene the policy of this board, except such interest or action fully disclosed in the box below.

Board member signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_