

Resolution 05051202
CONFLICT OF INTEREST POLICY

Section 1 - MINNESOTA CHARTER SCHOOL LAW:

For-Profit relationships: GRS acknowledges that the Minnesota charter school statute 124D.10 (4)(a) prohibits a charter school board member from also serving as a member of the board of directors, employee, agent, or contractor with a for-profit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities. A violation of this prohibition renders a contract voidable at the option of the MDE Commissioner. A member of a charter school board of directors who violates this prohibition is individually liable to the charter school for any damage caused by the violation.

Non Profit Relationships: GRS acknowledges that the Minnesota charter school statute 124D.10(4)(a) provides that a member of a charter school board of directors that also serves as a member of the board of directors, employee, agent, or a contractor with a nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities, must disclose all potential conflicts to the MDE Commissioner.

SECTION 2 - GRS PERSONNEL COVERED:

The GRS board acknowledges it is bound by the provisions of the Minnesota statute outlined above. In addition GRS adopts this comprehensive conflict of interest policy.

This policy applies not only to directors and officers, but to all employees who can influence the actions of Great River School. For example, this would include staff members who make purchasing decisions, staff members who might be described as "management personnel," and anyone who has proprietary information concerning Great River School.

SECTION 3 - AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, management employees, and staff with any of the following third parties:

1. Persons and firms supplying goods and services to Great River School.
2. Persons and firms from whom Great River School leases property and equipment.
3. Persons and firms with whom Great River School is dealing or planning to deal in connection with the gift, purchase, or sale of property.
4. Competing or affinity organizations.
5. Donors and others supporting Great River School.
6. Agencies, organizations, and associations which affect the operations of Great River School.
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with Great River School.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with Great River School.
3. Receiving remuneration for services with respect to individual transactions involving Great River School.
4. Using Great River School's time, personnel, equipment, supplies, or good will for other than Great River School approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with Great River School. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:

The areas of conflicting interest listed in Section 2, and the relations in those areas which may give rise to conflict, as listed in Section 3, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 3 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of Great River School. However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Except as provided in Section one above, transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The Great River School Board Executive Committee has determined that the transaction is in the best interest of the school.

SECTION 7. HOW TO DISCLOSE

School Staff: School employees must disclose a conflict or potential conflict to the School Director. The School Director shall bring the matter to the GRS Board

President. If the School Director has the conflict, the School Director shall bring the matter to the GRS Board President.

Disclosure involving directors should be made to the Board President. If the Board President is the one with the conflict, then the Board President shall report the conflict to the Board Vice-President.

The Board President or Vice President shall bring all conflict matters to the executive committee. The executive committee shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to Great River School. If the executive committee member reports the conflict, all executive committee discussion about the conflict will be held without the executive committee member that reported the conflict.

The decision of the executive committee on these matters will rest in their sole discretion, and their concern must be the welfare of Great River School and the advancement of its purpose.

SECTION 8. ANNUAL STATEMENT CONCERNING POSSIBLE CONFLICT OF INTEREST.

Annually, each GRS director, officer, management employee, and staff member shall report any potential conflicts or attest that no conflict exists on the form attached to this policy. All forms must be returned to either the School Director or the Board President as the start of each school year.

Since GRS is enacting this policy at the May 12, 2005 board meeting, all current directors, officers, management employees, and staff members shall complete and return the form to either Aaron Drevlow or Craig Harris by the June 9, 2005 board meeting.

SECTION 9 -TEACHERS EXEMPT.

Minnesota Statute Section 124D.10(4)(d) provides that a GRS teacher also serving as GRS Board Director does not have a conflict of interest when considering compensation and budget issues that affect the individual teacher or staff as a whole.

Offered by _____

Seconded by _____

Adopted this 12th day of May 2005 by unanimous GRS Board vote.

**Great River School
Annual Statement Concerning
Conflict of Interest**

The undersigned acknowledges receipt of the Great River School Conflict of Interest Policy and the Director's Code of Conduct.

By my signature below I acknowledge my agreement with the spirit and intent of these documents, and I agree to report any possible conflicts (other than those stated below) that may develop before completion of the next annual statement.

_____ I am not aware of any Conflict of Interest.

_____ I have a Conflict of Interest in the following areas:

Signed _____ Date _____

Name _____ (type or print name)

This Annual Statement shall apply to all members of the Great River School Board, all officers, management employees, and all Great River Staff beginning with the start of their membership or employment.

Staff should return their completed forms to the School Director to be placed in their personnel file.

The School Director and all board members shall return their forms to The Board President.