

VISION ACADEMY CHARTER SCHOOL OF EXCELLENCE
Conflict of Interest Policy

ARTICLE I
Purpose

The purpose of the Conflict of Interest policy is to protect this tax-exempt organization's Vision Academy Charter School of Excellence's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of Vision Academy Charter School of Excellence 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 Conflict of Interest applicable to nonprofit and public charter school organizations.

ARTICLE II
Definitions

2.01 Compensation.

Compensation means direct and indirect remuneration as well as gifts or favors that are not insubstantial in nature.

2.02 Conflict of Interest.

Conflict of Interest means an interest that is likely to impermissibly benefit the private interest of a board member or committee member.

2.03 Financial Interest.

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family that falls in one or more of the following categories:

- a. An ownership or investment interest in any entity with which Vision Academy Charter School of Excellence has a transaction or arrangement;
- b. A compensation arrangement with Vision Academy Charter School of Excellence or with any entity or individual with which Vision Academy Charter School of Excellence has a transaction, or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with Vision Academy Charter School of Excellence is negotiating a transaction or arrangement.

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 appropriate governing board or committee decides that a Conflict of Interest exists.

2.04 Interested Person.

Any Trustee, Principal Officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an Interested Person.

ARTICLE III Procedures

3.01 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 trustees and members of committees with governing board delegated powers considering the proposed transaction or arrangement. The Interested Person must make this disclosure at the start of the regularly scheduled board meeting following discovery of the Financial Interest; provided, however, that no action can be taken on such disclosure unless the issue was identified in the posted agenda for the meeting where required.

3.02 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, he/she shall leave the governing board or committee meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining board or committee members shall decide if a Conflict of Interest exists.

3.03 Procedures for Addressing Conflict of Interest.

- a. An Interested Person may make a presentation at the governing board or committee meeting, but after the presentation, 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 chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall Vison Academy Charter School of Excellence 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, and the State's ethics laws do not prohibit or invalidate the proposed transaction, the governing board or committee shall determine by a majority vote of

the disinterested trustees whether the transaction or arrangement is in Vision Academy Charter School of Excellence'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.

- e. Records of Proceedings. The minutes of the Board and all Administration with Board-Delegated powers shall contain:
 - (i) The names of the person 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 exists;
 - (ii) 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 therewith.

3.04 Violations of the Conflicts of Interest Policy.

- a. If the governing board or committee 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. 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 IV **Compensation**

4.01 A voting member of the governing board who receives compensation, directly or indirectly, from Vision Academy Charter School of Excellence for services is precluded from voting on matters pertaining to that member's compensation.

4.02 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Vision Academy Charter School of Excellence for services is precluded from voting on matters pertaining to that member's compensation.

4.03 No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Vision Academy Charter School of Excellence, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE V
Annual Statements

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

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the conflicts of interest policy;
- c. has agreed to comply with the conflicts of interest policy;
- d. Understands Vision Academy Charter School of Excellence is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VI
Periodic Reviews

6.01 To ensure Vision Academy Charter School of Excellence operates in a manner consistent with charitable and/or educational purposes and does not engage in activities that could jeopardize its tax-exempt status, period reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangement and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to Vision Academy Charter School of Excellence's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. Whether agreements to provide education and agreements with other employees and third parties further Vision Academy Charter School of Excellence's charitable purposes and do not result in inurement, impermissible or private benefit or in an excess benefit transaction.

ARTICLE VII
Use of Outside Experts

7.01 When considering the periodic reviews as provided for in Article VII Vision Academy Charter School of Excellence may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.