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SECTION: Board of Directors
SUBJECT: Conflict of Interest

REPLACES: N/A **REVISION NUMBER/DATE:** N/A

This Conflict of Interest Policy governs the activities of the board and staff of Reaching All Minds Academy, Inc. Questions about the policy should be directed to the Chair of the Board of Directors.

Each board member shall annually complete a “Conflict of Interest Statement of Understanding.” The original shall be kept on file at the offices of Reaching All Minds Academy. Any new board member(s) shall complete the form as a part of his/her orientation and prior to attending a board meeting in an official capacity.

It is the duty of all board members and staff to be aware of this policy, and to identify conflicts of interest and situations that may result in the appearance of a conflict and to disclose those situations/conflicts/or potential conflicts to (i) the employee’s supervisor, (ii) the Chair of the Board or other designated person, as appropriate. This policy provides guidelines for identifying conflicts, disclosing conflicts and procedures to be followed to assist Reaching All Minds Academy, Inc. manage conflicts of interest and situations that may result in the appearance of a conflict.

1. What is a conflict of interest? A conflict of interest arises when a board member or staff member has a personal interest that conflicts with the interests of Reaching All Minds Academy, Inc. or arise in situations where a board/staff member has divided loyalties (also known as a “duality of interest”). The former can result in situations that result in inappropriate financial gain to persons in authority at Reaching All Minds Academy, Inc. which can lead to financial penalties and violations of IRS regulations. Similarly, situations or transactions arising out of a conflict of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in Reaching All Minds Academy, Inc.’s decision-making process. Both results are damaging to Reaching All Minds Academy, Inc. and are to be avoided. Examples of conflict of interest:

- *Example #1:* a person in a position of authority over the Organization may benefit financially from a transaction between the Organization and the board/staff member; or others closely associated with the board/staff member may be affected financially. Family members, or their businesses, or other persons or the businesses of persons with whom the board/staff member is closely associated, could benefit from similar transactions.

- *Example #2:* A conflict of interest could be a direct or indirect *financial interest* such as those described above, or a *personal interest* such as the situation where a board member of Reaching All Minds Academy, Inc. is also a board member of another nonprofit or for-profit entity in the community with which Reaching All Minds Academy, Inc. collaborates or conducts business.

2. **Who might be affected by this policy?** Typically persons who are affected by a conflict of interest policy are the organization's board members, officers, and senior staff. In some cases a major donor could also be in a conflict situation. Reaching All Minds Academy, Inc. takes a broad view of conflicts and board/staff are urged to think of how a situation/transaction would appear to outside parties when identifying conflicts or possible conflicts of interest.

3. **Disclosure of Conflicts.** Board members and senior staff will annually disclose and promptly update any disclosures previously made to the Chairperson of the Board. Board and staff are also urged to disclose conflicts as they arise as well as to disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict. Staff should disclose to their supervisor and board members should disclose to the board/Chairperson of the board as soon as the person with the conflict is aware of the conflict/potential conflict or appearance of a conflict exists.

4. **Procedures to manage conflicts.** For each interest disclosed, the full board, or the Chairperson of the board, as appropriate, will determine whether the organization should: (a) take no action or (b) disclose the situation more broadly and invite discussion/resolution by the full board of what action to take, or (c) refrain from taking action and otherwise avoid the conflict. In most cases the broadest disclosure possible is advisable so that decision-makers can make informed decisions that are in the best interests of the organization.

- When the conflict involves a decision-maker, the person with the conflict ("interested party"): (i) must fully disclose the conflict to all other decision-makers; (ii) may not be involved in the decision of what action to take (e.g., may not participate in a vote) but may serve as a resource to provide other decision-makers with needed information.
- In some cases the person with the conflict may be asked to recuse him/herself from sensitive discussions so as not to unduly influence the discussion of the conflict.
- In all cases, decisions involving a conflict will be made only by disinterested persons.

- The fact that a conflict was managed and the outcome will be documented in the minutes of board meetings if the conflict was related to a board member, and reported by the school leader to the board/Chair of the board/other appropriate committee of the board (e.g., audit committee) if the conflict was related to a staff member.
- The Chairperson of the Board will monitor proposed or ongoing transactions of the organization (e.g., contracts with vendors and collaborations with third parties) for conflicts of interest and disclose them to the Board and staff, as appropriate, whether discovered before or after the transaction has occurred.

Conflict of Interest Statement of Understanding
Reaching All Minds Academy

As a member of the Board of Directors, I affirm that I have an obligation to exercise my authority and to carry out the duties of my position for the sole benefit of the School. I shall avoid placing myself in a position in which my personal interests are, or may be, in conflict with the interests of the School. Where a potential conflict of interest exists, it shall be the responsibility of the person involved or any other person with knowledge to notify the Board of Directors of the circumstances resulting in the potential conflict so that the Board of Directors can provide such guidance and take such action as it shall deem appropriate. Areas of potential conflict of interest are:

1. Financial Interests

(A) Ownership by the individual directly or indirectly of a material financial interest in any business or firm (i) from which the school obtains goods or services, or (ii) which is a competitor of the school.

(B) Competition by the individual, directly or indirectly, with the School in the purchase or sale of property or any property right or interest.

(C) Representation of the School by the individual in any transaction or activity in which the individual, directly or indirectly, has a material financial interest.

(D) Any other circumstance in which the individual may profit, directly or indirectly, from any action or decision by the School in which he or she participates, or which he or she has knowledge.

2. Inside Information

Disclosure or use by the individual of confidential information about the School, its activities or intentions, for the personal profit or advantage of the individual or any person.

3. Conflicting Interests Other than Financial

Representation as director, officer, agent or fiduciary of another company, institution, agency or person in any transaction or activity which involves this school as an adverse party or with adverse interests.

4. Gifts and Favors

Acceptance of gifts or favors from any firm or individual which does or seeks to do business with, or is a competitor of, the School under circumstances which imply reasonably that such action is intended to influence the individual in the performance of his or her duties.

No Director who directly or indirectly is involved in a potential conflict of interest shall be counted in determining the existence of quorum at any meeting of the Board where the potential conflict is considered, nor shall the director vote on any action of the Board regarding that potential conflict.

Understood and Agreed to:

Name (Printed)

Signature

Date