

ALMA D'ARTE CHARTER HIGH SCHOOL
GC POLICY CONFLICT OF INTEREST

Policy No. GC0009
Adopted: 09/13/10
Amended: 02/18/20

SUBJECT: CONFLICT OF INTEREST

PURPOSE: The purpose of the Conflict of Interest Policy is to protect Alma d'arte, a New Mexico public charter school, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the school's Governance Council (GC) or an employee of Alma d'arte, or that might result in a possible benefit to a related person or entity. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to charter school governing bodies, public schools or their employees.

DEFINITIONS:

- (A) "Conflict of Interest" arises when a GC member, employee, any member of his or her immediate family, or his or her domestic partner, has a financial or familial relationship in or with a person, firm or company that has been selected by Alma d'arte to receive a contract or lease for goods, services or real property.
- (B) "Interested Person" means any GC member or Alma d'arte employee who has a direct or indirect financial interest as defined below.
- (C) "Financial Interest" means a person who has a financial interest if the person has directly or indirectly, through business, investment or family:
 - 1. an ownership or investment interest in any entity or third party with which Alma d'arte has a transaction or arrangement.
 - 2. a compensation arrangement with Alma d'arte or with any entity or individual with which Alma d'arte has a related transaction or arrangement with Alma d'arte or
 - 3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Alma d'arte is negotiating a transaction or arrangement.
 - 4. hold office, serves on the GC, participates in management, or is otherwise employed with any third party dealing with Alma d'arte.
 - 5. Receives personal gifts, loans or other financial benefits from third parties dealing with Alma d'arte.

- (D) “Family Members” means spouses, fathers, fathers-in-law, mothers, mothers-in-law, brothers, brothers-in-law, sisters, sisters-in-law, sons, sons-in-law, daughters, daughters-in-law, domestic partners or persons held as such are considered to be family members for purposes of this policy.
- (E) “Compensation” includes direct and indirect payment, financial benefit or remuneration as well as gifts and favors.

PROCEDURES:

(A) Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of a financial interest and be given the opportunity to disclose all material facts to the GC or school administration considering the proposed transaction or arrangement.

(B) Determining if a Conflict of Interest Exists

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the GC decides that a conflict of interest exists. After disclosure of the financial interest and all material facts at a GC regular meeting, and after any discussion with the interested person, he or she shall leave the GC meeting while the determination of a conflict of interest is discussed and voted upon.

(C) Procedures for Addressing a Conflict of Interest

1. An interested person may make a presentation at a GC meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The President of the GC shall, if appropriate, appoint an impartial person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the GC shall determine whether Alma d’arte 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the GC shall determine by a majority vote whether the transaction or arrangement is in Alma d’arte’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.

(D) Violations of the Conflict of Interest Policy

1. If the GC has reasonable cause to believe a GC member or employee has failed to disclose actual or possible conflicts of interest, it shall inform the GC member or employee of the basis for such belief and afford the GC member or employee an opportunity to explain the alleged failure to disclose.
2. If, after hearing the GC member or employee's response and after making further investigations as warranted by the circumstances, the GC shall determine if the GC member or employee has failed to disclose an actual or possible conflict of interest and it shall take appropriate disciplinary and corrective action.

(E) Records of Proceedings

The minutes of the GC meeting shall contain:

1. The names of the persons 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 GC's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for the discussion 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

(F) Compensation

1. A voting member of the GC who receives compensation directly or indirectly from Alma d'arte for services is precluded from voting on matters pertaining to that GC member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly from Alma d'arte for services is precluded from voting on matters pertaining to that member's compensation.
3. A voting member of the GC or any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly from Alma d'arte either individually or collectively, is prohibited from providing information to any committee regarding compensation.

(G) Annual Statements

The CAO/Principal and all GC members shall annually sign a statement which affirms such person:

1. has received a copy of the Conflict of Interest Policy,
2. has read and understands the policy
3. has agreed to comply with the policy, and
4. understands Alma 'd'arte is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Legal Reference: §22-8BB-5.2 NMSA 2013

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