

The Circle School Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect the school when it considers entering into a transaction or arrangement that might benefit the private interest of a person in a school position of authority or might result in a possible excess benefit transaction.

A. Definitions

Interested person. An interested person is any officer or official of the School Meeting, or member of the Board of Trustees, or member of a committee with powers delegated by the School Meeting or Board, who has a financial interest as defined below.

Financial interest. A person has a financial interest in a transaction or arrangement if the person has an ownership interest, an investment interest, or a compensation arrangement with any entity with which the school has the transaction or arrangement, or is negotiating the transaction or arrangement. A financial interest can be direct or indirect through business, investment, or family. A compensation arrangement can include direct or indirect remuneration, or favors of more-than-trivial value.

Conflict of interest. A financial interest does not necessarily indicate a conflict of interest. Whether or not a financial interest creates a conflict of interest shall be determined by the appropriate school governing body, committee, or school official.

B. Procedures

Duty to disclose. In connection with any transaction or arrangement, or 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 governing body, committee, or school official considering or authorizing the transaction or arrangement.

Determining whether a conflict of interest exists. After disclosure of the financial interest and all material facts, the governing body, committee, or school official shall decide whether or not a conflict of interest exists. The interested person shall not vote, participate, or be present during deliberation and determination.

What to do if a conflict exists. If it is found that a conflict of interest exists, the interested person may make a presentation to the governing body, committee, or school official, which shall then decide whether and how to proceed with the transaction or arrangement involving the conflict of interest. The interested person shall not vote, participate, or be present during deliberation and determination.

After exercising due diligence, the governing body, committee, or school official shall determine whether the school can obtain with reasonable efforts, from another person or entity, a more advantageous transaction or arrangement that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing body, committee, or school official shall determine whether the transaction or arrangement is in the school's best interest, for its own benefit, and whether it is fair and reasonable; and shall decide whether to enter into or continue the transaction or arrangement.

Violations of the conflict of interest policy. If a governing body, committee, or school official has reasonable cause to believe a person has failed to disclose actual or possible conflicts of

interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the person's response and after making further investigation as warranted by the circumstances, the governing body, committee, or school official determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective and disciplinary action.

C. Records of Proceedings

When a person discloses or is found to have a financial interest in connection with an actual or possible conflict of interest, a written record shall be made by the governing body, committee, or school official, containing the following:

- a. 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 decision of the governing body, committee, or school official as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for deliberations and votes relating to the transaction or arrangement, a summary of findings, and a record of any votes taken in connection with the proceedings.

If the governing body, committee, or school official routinely publishes minutes, then the written record shall be made part of those minutes; otherwise the written record shall be submitted to the school office for permanent filing with financial records of the transaction or arrangement.

D. Compensation

A voting member of the governing body or committee who receives compensation from the school, directly or indirectly, shall not vote on matters directly pertaining to that member's compensation; provided that all members of the Board and School Meeting may participate in development of and voting on the annual budget and other planning processes that include the member's compensation undifferentiated in aggregate sums and budget totals.

E. Publication

The school shall publish this policy within the school community; for example on the internal website (for the school community), or annually in Minutes or other materials published for the school community, or annually on the school's email group for the school community.

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