

SciTech Academy

Conflict of Interest Statement

I. Purpose

The purpose of the conflict of interest policy is to protect SciTech School's (SMSA) interest when it is contemplating entering into a transaction or arrangement that might result in an excess benefit transaction. This policy is intended to supplement but not replace, applicable state and federal laws governing conflict of interest applicable to nonprofits, charitable organizations, and chartered public schools.

II. General Statement of Policy

It is the policy of the charter school board to conform to statutory conflict of interest laws and act in a manner that will avoid any conflict of interest or the appearance thereof.

This policy addresses compliance requirements with MN Stat. 124D.10 Subd 4a; 34 CFR Part 74.43; 34 CFR Part 75.525(a) & (b); and 34 CFR Part 80.36(b)(3).

III. Minnesota Statute

SMSA will conform with MN Statute 124D.10, Subd 4a Conflict of interest, as shown below:

(a) An individual is prohibited from serving as a member of the charter school board of directors if the individual, an immediate family member, or the individual's partner is an owner, employee or agent of, or a contractor with a for-profit or nonprofit 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 commissioner or the charter school board of directors. 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.

- . *(b) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:
 - (1) the board member, employee, officer, or agent;*
 - (2) the immediate family of the board member, employee, officer, or agent;*
 - (3) the partner of the board member, employee, officer, or agent; or*
 - (4) an organization that employs, or is about to employ any individual in clauses (1) to (3), has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.**

- . *(c) Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the board of directors of a school chartered by that authorizer.*

- . *(d) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (a) exists.*

- . *(e) The conflict of interest provisions under this subdivision do not apply to compensation paid to a teacher employed by the charter school who also serves as a member of the board of directors.*

- . *(f) The conflict of interest provisions under this subdivision do not apply to a teacher who provides services to a charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.*

IV: Federal Statutes

SMSA will comply with all federal statutes regarding conflict of interest and federal grant administration:

A. 34 Code of Federal Regulations (CFR) Part 74.43 Competition, which reads as follows:

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications requirements, statements of work, invitations for bids or requests for proposals shall be excluded from competing for procurements. Awards must be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly establish all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

B. 34 CFR Part 75.525 (a) & (b) Conflict of Interest: Participation in a Project, which reads as follows:

(a) A grantee may not permit a person to participate in an administrative decision regarding a project if:

(1) The decision is likely to benefit that person or a member of his or her immediate family; and (2) The person: (i) Is a public official; or (ii) Has a family or business relationship with the grantee.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a

financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

V: Code of Standards for Employees

A. Standards

(b) A grantee may not permit any person participating in the project to use his or her position for a purpose that is – or gives the appearance of being – motivated by a desire for a private financial gain for that person or for others

C. 34 CFR Part 80.36 (b) Procurement standards, which reads as follows:

1. Any SMSA employee responsible for federal grant funds will disclose any and all conflicts of interest as described in the above federal regulations.

2. SMSA employees responsible for federal grant administration will comply with all federal procurement regulations.

3. SMSA employees responsible for federal administration will comply with all federal regulations regarding expenses.

4. SMSA employees responsible for federal grant administration will provide required documentation regarding grant expenditures.

5. All SMSA employees are required to report any suspected misconduct regarding federal grant expenditures to the Director and/or Board of Directors.

B. Enforcement of Standards

1. SMSA employees responsible for federal grant administration who violate the above code of standards will be subject to disciplinary action up to and including dismissal from their position.

2. SMSA will prosecute to the full extent of the law any employees who violate state or federal laws regarding federal grant administration.

VI: Determination as to whether a conflict of interest exists

The determination as to whether a conflict of interest exists is to be made by the school board. Any school board member who has an actual or potential conflict shall notify the school board of such conflict immediately. The school board member shall thereafter cooperate with the school board as necessary for the school board to make its determination.

VII: Annual Statements

Each director, 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 policy
- c. Has agreed to comply with the policy
- d. Understands that SMSA 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 References

MN Statute 124D.10, Subd 4a Conflict of interest;
34 Code of Federal Regulations (CFR) Part 74.43 Competition; 34 CFR Part 75.525 (a) & (b) Participation in a Project;
34 CFR Part 80.36(b): 3.

SciTech Academy (SMSA) Conflict of Interest Statement:

Board member full name:

I have read and am familiar with the SMSA board policy concerning conflicts of interest, and I have initialed the line opposite the appropriate paragraph below.

_____ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken action which would contravene the policy of the SMSA board of directors.

_____ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken any action which would contravene the policy of this board, except such interest or action fully disclosed in the box below.

Board member _____

signature _____

Date _____