

1. CONFLICT OF INTEREST POLICY.

A. General Principles

All Council members have a duty of loyalty and a duty of care towards CORAL COMMUNITY CHARTER SCHOOL. It is the responsibility of all Governing Council members to conduct themselves in accordance with the highest standards of integrity, honesty, and fair dealing to preclude conflict between the interest of CORAL COMMUNITY CHARTER and the personal interests of the Governing Council member. Likewise, it is the responsibility of the school to conduct all its business and operations impartially in accordance with all laws and in conformity with the highest ethical and professional standards. All hiring and other transactions imposing financial and/or legal obligations on the school shall be made with the best interests of the school as the foremost consideration.

B. Persons Concerned

This policy is directed not only to Governing Council members and officers, but to all employees who can influence the actions of CORAL COMMUNITY CHARTER. For example, this would include all who make purchasing decisions, all persons who might be described as 'management personnel', or other employees who have proprietary information concerning CORAL COMMUNITY CHARTER.

C. Conflict of Interest Definition

- i. **Under no circumstances may Governing Council members or their family members be employees of CORAL COMMUNITY CHARTER, or contract with CORAL COMMUNITY CHARTER for professional services, goods or facilities, either directly or as employees/owners/directors/agents of a business or organization.**
- ii. **A person shall not serve as a member of the Governing Council if the person or a family member is an owner, agent of, contractor with or otherwise has a financial interest in a for-profit or nonprofit entity with which CORAL COMMUNITY CHARTER contracts directly, for professional services, goods or facilities.**
- iii. A conflict of interest may also occur whenever a Governing Council member or CORAL COMMUNITY CHARTER employee permits the prospect of direct or indirect personal gain (or gain to a relative or Related Entity) to influence improperly his or her judgment or actions in the conduct of CORAL COMMUNITY CHARTER. It is not practical to specify every action that might be considered to raise a conflict of interest. Consequently, Council members/CORAL COMMUNITY CHARTER employees should immediately disclose to the Council any circumstance that may give rise to the appearance of a conflict of interest. The following situations have the potential for being an actual or apparent conflict of interest and must be avoided unless the member/employee has brought the issue before the Council

for consideration and the Council voted to approve it in an open meeting, pursuant to Paragraph D below:

1. Using confidential information acquired by virtue of their association with the school for their individual or another's private gain.
2. Influencing or having the appearance of influencing business with suppliers to CORAL COMMUNITY CHARTER, which results in the financial benefit to a Governing Council member, his or her relatives or a Related Entity.
3. Participating in selecting, awarding or administering a contract with CORAL COMMUNITY CHARTER if the member, employee, or family member of the member/employee has a financial interest in the entity with which the school is contracting.
4. Participating in deliberations/actions involving that member's or employee's family member or a Related Entity of the member/employee.

D. Deliberations and Voting on Conflict Issues:

In order to avoid conflicts of interest and the appearance of impropriety, Council members shall not participate in open meeting or Closed Session deliberations or votes relating to the discipline of (i) himself or herself; (ii) any relative of the Council member; or (C) any action/transaction between CORAL COMMUNITY CHARTER and any family member or Related Entity of the Governing Council member. "Closed Session" shall mean any portion of a Governing Council meeting that is properly closed to the public in accordance with the provisions of the state Open Meetings Act.

The Head Administrator shall not authorize (by approval of a Purchase Order or otherwise) or enter into any proposed transaction or take any action described in Paragraph C(iii) unless and until the transaction/action has first been evaluated and approved by the Governing Council.

The Governing Council may, but shall not be obligated to, approve a proposed action/transaction described in Paragraph C(iii) ONLY if the Council concludes, after review of all pertinent data, that:

- (i) The transaction is financially no less favorable to the school than would be available in an arm's length transaction between unrelated parties;
- (ii) no Governing Council member or employeewill be in a position to influence decisions relating to any transaction between CORAL COMMUNITY CHARTER and any Related Entity; and
- (iii) the benefits to CORAL COMMUNITY CHARTER outweigh any appearance of a conflict of interest.

E. Violation of Conflict of Interest Policy.

Upon discovery of a violation of this conflict of interest policy, the discovering party shall immediately notify the Governing Council President, the school administrator and all Council Members. A Special Governing Council shall be scheduled to consider the matter. In the event the Governing Council decides that there has been a violation of the conflict of interest rules or other abuse of his or her position at CORAL COMMUNITY CHARTER, the GC shall review and recommend appropriate action. A violation of the conflict of interest policy renders any contract entered into in violation of the policy voidable.

F. Nothing in this policy shall prevent CORAL COMMUNITY CHARTER from paying compensation to a Council member in compliance with the New Mexico Per Diem and Mileage Act.

For purposes of this policy, “family member” or “relative” means, spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister, sister-in-law, or any other relative who is financially supported. A "Related Entity" is a business enterprise, nonprofit organization or other entity with respect to which such Governing Council member, or a relative of such Governing Council member (i) has a direct or indirect financial interest; (ii) is an officer, director, or employee; or (iii) is otherwise in a position to control the management or decision-making of such entity.

2. NEPOTISM.

The Council will not initially employ or approve the initial employment in any capacity of a person who is a Council member, the spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, or daughter-in-law, sibling, or sibling-in-law of any Council member, or any other relative who is financially supported. The Council may waive the nepotism rule for family members of a head administrator. The Council shall carefully consider the potential impact on the integrity, efficiency, discipline and public perception in the employment of any person who is related to/financially supported by the head administrator or who is the parent of an CORAL COMMUNITY CHARTER student. Nothing in this section shall prohibit the continued employment of a person employed on or before July 1, 2008.

Governing Council members who wish to seek employment with the school must resign from the Governing Council and must wait one year from his/her resignation effective date prior to being offered or accepting employment with the school.

3. MISUSE OF POSITION.

No Council member will use his/her position to attempt to influence the decision of any school employee to grant special treatment to (a) the child or ward of such Council member, (b) any relative of such Governing Council member, or (c) any "Related Entity". Every Council member and every CORAL COMMUNITY CHARTER employee who is a parent or guardian of a CORAL COMMUNITY CHARTER student shall inform his or her child that he or she is required to follow all rules, policies and procedures applicable to CORAL COMMUNITY CHARTER students, that he or she is not entitled to special treatment by virtue of the

relationship with a Council member or employee, and that any attempt to seek such special treatment may result in disciplinary action.

No individual Council member, community member, staff member, or parent may direct the school administrator in his/her duties. GC members will respect the confidentiality appropriate to issues of a sensitive nature and will adhere to all federal and state laws regarding confidentiality of a student, employee, and other information in the school's custody.

GC members' interaction with the public, press, or other entities must recognize the inability of any GC member to speak for the GC on behalf of the school unless explicitly authorized by the GC at a public meeting and recorded in the minutes.

Passed by the Coral Community Charter Governing Council 1-24-12

Tania Triolo, chair