

Adopted: _____
Revised: _____

210: CONFLICT OF INTEREST – SCHOOL BOARD MEMBERS

[Note: This policy reflects legal requirements.]

I. PURPOSE

The purpose of this policy is to observe state statutes regarding conflicts of interest and to engage in School District business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

II. DEFINITIONS

- A. “Affiliate” means a person who directly or indirectly, through one or more intermediaries; controls, is controlled by, or is under common control with another person.
- B. “Board” means the duly appointed or elected Board members of Upper Mississippi Academy (UMA).
- C. “Control” means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.
- D. “Immediate family” means an individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin;
- E. “Person” means an individual or entity of any kind.
- F. “Related party” means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate.

III. LIMITATIONS ON UMA BOARD MEMBERSHIP

- A. An individual is prohibited from serving as a member of the Board if:

The individual, 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 Board contracts, directly or indirectly, for professional services, goods, or facilities.

- B. Violations:

- a. A violation of section (A) above renders a contract voidable at the option of the Commissioner of Education or the Board.
- b. Personal liability: a member of the Board who violates this prohibition is individually liable to the school for any damage caused by the violation.

- C. Connection with authorizer: Any employee, agent, or board member of Upper

Mississippi Academy's 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.

IV. LIMITATION ON CONTRACT ADMINISTRATION

- A. No board member and no Director employee, officer, or agent of the school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists.
- B. A conflict exists when any of the following has a financial or other interest in the entity with which the school is contracting:
 - a. The board member, employee, officer or agent;
 - b. The immediate family of the board member, employee, officer, or agent;
 - c. The partner of the board member, employee, officer, or agent; or
 - d. An organization that employs, or is about to employ any individual in clauses (a) through (d)
 - e. Has a financial or other interest in the entity with which the school is contracting.

V. LIMITATIONS ON LEASES AND OTHER CONTRACTS

- A. Contracts with authorizer: UMA will disclose to the Commissioner of Education any potential contract, lease, or purchase of service from its authorizer. Additionally, UMA will accept any such contract only through an open bidding process, properly documented, and the contract must be a separate contract from the UMA contract.
- B. Leases of property: UMA will not enter a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable based on current market values.

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.

Legal References: Minn. Stat. §122A.20, Subd. 3 (Teacher Hiring, Dismissal)
Minn. Stat. § 123B.195 (Board Member's Right to Employment)
Minn. Stat. § 471.87 (Public Officers; Interest in Contract; Penalty)
Minn. Stat. § 471.89 (Contract, When Void)
Op. Atty. Gen. 437-A-4, March 15, 1935
Op. Atty. Gen. 90-C-5, July 30, 1940
Op. Atty. Gen. 90-A, August 14, 1957

Cross References: MSBA/MASA Model Policy 101 (Legal Status of the School Board)

MSBA/MASA Model Policy 209 (Code of Ethics)
MSPA Service Manual, Chapter 1, School District Governance, Powers
and Duties.