



# Conflict of Interest Policy

**References:** 53G-5-409.

## **PURPOSE**

Merit Academy is committed to maintaining a conflict-free environment to ensure the integrity of its operations and safeguard its tax-exempt status. This policy aims to prevent any conflicts of interest in the school's finances, contracts, agreements, transactions, and services, except as allowed by law.

## **DEFINITIONS**

- I. Conflict of Interest:** occurs when an MPA representative, directly or indirectly (through business, investment, family, or other relationships), stands to benefit financially or otherwise from school-related contracts, agreements, transactions, or services. Financial benefits include direct and indirect remuneration, gifts, or favors of any amount.
- II. Charter School Officer:**
  - A. A member of the charter school's governing board.
  - B. A member of the board or an officer of a nonprofit corporation under which the charter school is organized and managed.
  - C. The chief administrative officer of the charter school.
- III. Employment:**  
A position in which a person's salary, wages, pay, or compensation, whether as an employee or contractor, is paid from charter school funds. This does not include charter school volunteers.
- IV. Relative:**  
A father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

## **POLICY**

- I. This policy applies to all MPA representatives, including:
  - A. Board members;
  - B. Administrators;
  - C. Employees;
  - D. Consultants; and

- E. Volunteers who make or influence decisions on school contracts, agreements, transactions, and services.
- II. All MPA representatives are required to complete a **conflict of interest disclosure statement** annually.
  - A. If any MPA representative has an interest in a contract or transaction presented to the board or a committee for authorization, approval, or ratification, they must:
    - 1. Make a prompt and full disclosure of their interest;
    - 2. Provide any relevant and material facts that could reasonably be construed as a conflict of interest; and
    - 3. This disclosure should happen **prior** to any action on the contract or transaction.
- III. No board member may vote on a matter that directly affects services provided by them or an organization they represent, or which may financially benefit them, either directly or indirectly.
  - A. All such conflicts must be **fully disclosed** to the board members at the meeting where the contract is being considered.
  - B. Any exceptions to the conflict of interest policy must be granted with written approval from both:
    - 1. MPA's Director; and
    - 2. The Board of Trustees
- IV. A relative of a charter school officer **may not be employed** at MPA except:
  - A. The charter school officer shall:
    - 1. Disclose the relationship, in writing, to the other charter school officers;
    - 2. Submit the employment decision to the charter school's governing board for approval by a majority vote;
    - 3. Abstain from voting on the issue; and
    - 4. Be absent from the portion of the meeting where the employment is being considered and determined.
- V. A charter school officer or a relative of a charter school officer **may not have a financial interest** in a contract or other transaction involving MPA, except as provided below.
  - A. The charter school officer shall:
    - 1. Disclose the financial interest, in writing, to the other charter school officers;
    - 2. Submit the contract or transaction decision to the governing board for approval by a majority vote;
    - 3. Abstain from voting on the issue; and
    - 4. Be absent from the portion of the meeting where the contract or transaction is being considered and determined.
- VI. MPA strictly forbids related individuals from having a supervisory relationship unless there are at least two levels of supervision between them.

- A. If such a separation is not possible, an exception must be requested and approved by both the Director and the Board of Trustees.
- VII. If a relationship develops between individuals within the same team or department, both individuals must disclose the relationship immediately to:
  - A. Their direct supervisor; and
  - B. The School Director
  - C. If a conflict arises due to the relationship, the individuals involved may need to be reassigned to different teams or departments to eliminate the potential conflict.
    - 1. If no alternative roles are available for reassignment, the individuals may be required to step down from their current positions.
- VIII. A relative of a school employee may not serve on the Board of Trustees.
- IX. Exceptions to the nepotism policy must be granted in writing by both the Director of MPA and the Board of Trustees.