

## **101: Board Member Conflict of Interest**

### **I. Purpose:**

- a. This policy is to protect the interests of Providence Creek Academy Charter School (PCA) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or administrator of PCA. This policy is intended to supplement, not replace, any applicable state laws governing conflicts of interest for charter school members.

### **II. Definitions:**

- a. Interested Person: Any director, principal officer, member of a committee with board-delegate powers, or member of the administration of PCA who has direct or indirect financial interest.
- b. Financial Interest: A person has, directly or indirectly, through business, investment or family –
  - i. An ownership or investment interest in any entity with which PCA has a transaction or arrangement
  - ii. A compensation arrangement with any entity or individual with which PCA has a transaction or arrangement
  - iii. A potential ownership or investment in, or compensation arrangement with, any entity or individual with which PCA is negotiating a transaction or arrangement
- c. Compensation: Includes any direct or indirect remuneration, including but not limited to commissions or fees or similar remuneration, salary or other compensation received as an employee or as an independent contractor, or gifts or favors that are substantial in nature.
- d. Financial Interest: A financial interest is not necessarily a conflict of interest. An Interest Person may have a conflict of interest under this policy only if the appropriate board or committee decides that a conflict of interest exists.

### **III. Policy Statement:**

- a. Duties to Disclose:
  - i. In connection with any actual or possible conflicts of interests, an Interested Person must disclose the existence of his or her financial interest and all material facts to the directors and members of committees with board delegated powers where such person are considering the proposed transaction or arrangement.

- b. Determining Whether a Conflict of Interest Exists:
  - i. After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall meet to carry out the procedures set forth below.
- c. Procedures for Addressing the Conflict of Interest:
  - i. An Interested Person may be asked to make a presentation to the board or committee, and after such presentation he/she may be asked to leave the meeting or otherwise refrain from further participation in such meeting during the discussion of, and the vote on, the transaction or arrangement that poses a conflict of interest.
  - ii. The President of the Board of Directors or chairperson of a committee may appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement and to report such alternatives to the Board or committee.
  - iii. After exercising due diligence, the Board or committee shall determine whether PCA can reasonably pursue a comparable transaction or arrangement which would not give rise to a potential conflict of interest.
  - iv. If a comparable transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a potential conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors or member whether the transaction or arrangement is in the best interest of PCA and for its own benefit and whether the transaction is fair and reasonable to PCA and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- d. Conduct:
  - i. While at all times active in a manner consistent with the requirements of applicable open meeting laws, and without infringing the diligence necessary for a determination of a conflict of interest, the Board and committee shall strive wherever reasonably possible to minimize disclosures of personal information regarding Interested Persons.

#### IV. Responsibility:

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the

member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

V. Related Policies:

VI. Related Procedures and Documents:

- a. Delaware State Public Integrity Commission's Ethics Disclosure:  
<https://depic.delaware.gov/code-of-conduct/ethics-disclosure/>
- b. Delaware State Public Integrity Commission's Ethics Disclosure Worksheet:  
<https://depic.delaware.gov/wp-content/uploads/sites/48/2017/02/worksh091012-1.pdf>
- c. State Employees', Officers', and Officials' Code of Conduct:  
[delcode.delaware.gov/title29/c058/sc01/index.shtml](http://delcode.delaware.gov/title29/c058/sc01/index.shtml)

Approval and Revision Dates:

APPROVED BY THE BOARD OF DIRECTORS JUNE 28, 2011

REVISED BY THE BOARD OF DIRECTORS ON JULY 23, 2019