

Eagle Ridge Academy Board of Directors
Conflict of Interest Policy
January 14, 2014

- I. Serving as a Board Member – Minn. Stat. § 124D.10, subd. 4a(a)
- A. An individual is prohibited from serving as a member of the Board of Directors if the individual, an immediate family member, or the individual's partner
 1. is a full or part owner or principal
 2. with a for-profit or nonprofit entity or independent contractor
 3. with whom Eagle Ridge Academy contracts, directly or indirectly,
 4. for professional services, goods, or facilities.
 - B. An individual is also prohibited from serving as a member of the Board of Directors if an immediate family member is an employee of the school.
 - C. A violation of this prohibition renders a contract voidable at the option of the commissioner of education or the Board of Directors.
 - D. A member of the Board of Directors who violates this prohibition is individually liable to Eagle Ridge Academy for any damage caused by the violation.
- II. Participating in a Contract – Minn. Stat. §124D.10, subd. 4a(b)
- A. No member of the Board of Directors, employee, officer, or agent of Eagle Ridge Academy, including members of any Board Working Group, Committee, or Task Force, or any other person authorized to act on behalf of Eagle Ridge Academy, shall participate in selecting, awarding, or administering a contract if a conflict of interest exists.
 - B. A conflict of interest exists when:
 1. the Board member, employee, officer, or agent;
 2. the immediate family member 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.) (section II. B.),has a financial or other interest in the entity with which Eagle Ridge Academy is contracting.
 - C. A violation of this prohibition renders the contract void.

III. Contract or Transaction – Minn. Stat. § 317A.255

- A. Unless the conditions in paragraph B (section III.) are met, the following individuals and organizations may not enter into a contract or transaction with Eagle Ridge Academy:
1. a member of the Board of Directors or a member of the Board of Director's family;
 2. a director of a related organization, or a member of the family of a director of a related organization; or
 3. any organization in which (or of which) a member of Eagle Ridge Academy's Board of Directors, or a member of the Board of Director's family, is a director, officer, or legal representative, or has a material financial interest.
- B. If no other conflict of interest exists (see paragraphs I, II, IV, and V) and if the following conditions in paragraphs 1, 2, or 3 (section III. B.) are met, the contract or transaction described in paragraph A (section III.) may still occur:
1. the contract or transaction was fair and reasonable as to Eagle Ridge Academy when it was authorized, approved, or ratified.
 2. the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the Board of Directors;
 - a. the Board approves, authorizes, or ratifies the contract or transaction in good faith;
 - b. the approval, authorization, or ratification is by a majority of directors (not including any interested director); and
 - c. the action takes place at a meeting where a quorum is present (not including any interested director). If, as a result, the number of remaining directors is not sufficient to reach a quorum, a quorum for purposes of considering the contract or transaction is the number of remaining directors.
 3. the contract or transaction is a merger or consolidation.
- C. Involvement in Action: An interested director may be present for discussion to answer questions, but may not advocate for the action to be taken. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

IV. Direct Interest – Common Law

- A. A member of the Board of Directors may not participate in proceedings in a decision-making capacity when he or she has a direct personal interest in the outcome of those proceedings.
- B. The following factors will be analyzed to determine whether the director's direct interest in the outcome of the proceedings disqualifies him or her from participating:

1. the nature of the decision being made;
2. the nature of the pecuniary interest;
3. the number of officials making the decision who are interested;
4. the need, if any, to have interested persons make the decision; and
5. the other means available, if any, such as the opportunity for review, that serve to insure that officials will not act arbitrarily to further their selfish interests.

V. Non-Financial Conflicts of Interest:

No member of the Board of Directors shall vote in any matter pertaining directly and specifically to him- or herself or to members of his or her immediate family.

However, it shall not be considered a conflict of interest (a) for any director of the Board to vote for him- or herself to become a member of any Working Group, Committee, or Task Force or (b) for any member of the Board of Directors or of any Board Working Group, Committee, or Task Force to vote for him- or herself to become an officer of such group.

VI. Exceptions – Minn. Stat. §§ 124D.10, subd. 4a(e); 317A.255, subd. 2(1)

- A. Teachers of Eagle Ridge Academy who are serving as Board members are not deemed to have a conflict of interest because they are paid compensation as a teacher. Thus, teachers of Eagle Ridge Academy may serve as members of the Board of Directors.
- B. Teachers of Eagle Ridge Academy who are serving as Board members are not deemed to have a conflict of interest when addressing any contract or transaction regarding compensation for any Eagle Ridge Academy employees, including themselves. (State law exempts the situation of directors establishing compensation for themselves or other directors, and allows teachers to comprise a majority of the school board. Therefore teachers, as board members, are permitted to vote on budgets and other financial matters that affect them. However, teachers of Eagle Ridge Academy shall not vote on their own, individual salaries.)

VII. Consequences:

Should a conflict of interest occur the Board may choose to apply consequences as deemed appropriate, in addition to those provided by law.

VIII. Copy of Policy:

All members of the Board of Directors of Eagle Ridge Academy shall be provided with a copy of this policy and be required to complete and sign an acknowledgment and disclosure form pertaining to any potential or actual conflicts of interest, at least on an annual basis, as well as at any time a potential or actual conflict of interest may arise.

EAGLE RIDGE ACADEMY BOARD OF DIRECTORS
CONFLICT OF INTEREST POLICY

ACKNOWLEDGMENT AND DISCLOSURE FORM

I have read the Eagle Ridge Academy Board of Directors Conflict of Interest Policy set forth above and agree to comply fully with its terms and conditions at all times during my service as a Board member. If at any time following the submission of this form I become aware of any actual or potential conflict(s) of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the Board Chair or Vice Chair and the Executive Director in writing.

Disclosure of Actual or Potential Conflict(s) of Interest:

Board Member Signature: _____

Board Member Printed Name: _____

Date: _____