



Innovations
Public Charter School

Conflict of Interest

Date Originally Adopted: 3/6/12
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School Nepotism Policy

Part One

Employees may not hold a position over which a member of their immediate family exercises supervisory authority. Immediate family includes the following: husband, wife, son, son-in-law, daughter, daughter-in-law, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, grandparents, and grandchildren.

Part Two

It is well accepted that employment of relatives in the same area of an organization can cause serious conflicts and problems with favoritism and employee morale. In these circumstances, all parties, including supervisors, leave themselves open to charges of inequitable consideration in decisions concerning work assignments, transfer opportunities, performance evaluations, promotions, demotions, disciplinary actions, and discharge. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships

It is Innovations Public Charter School's policy that relatives of persons currently employed by Innovations Public Charter School may be hired only if they will not be working directly for or supervising a relative. If already employed, they cannot be transferred into such a reporting relationship. If the relative relationship is established after employment, the individuals concerned shall be removed of their supervisory role within 30 calendar days by management.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

For the purpose of this policy, a relative is defined to include spouses, parents, children, brothers, sisters, brothers-and sisters-in-law, father- and mothers-in-law, stepparents,



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stepbrothers, stepsisters, and stepchildren. This policy also applies to individuals who are not legally related but who reside with another employee.

Part Three

EMPLOYMENT OF SPOUSES: With respect to the employment of relatives, Innovations Public Charter School reserves the right to:

- a. Refuse to place one spouse under the direct supervision of the other spouse where such has the potential for creating an adverse effect on supervision, safety, security, or morale.
- b. Refuse to place both spouses in the same department, division, program or facility where such has the potential for creating an adverse effect on supervision, safety, security, morale, or involves potential conflicts of interest.

EMPLOYMENT OF OTHER RELATIVES: Relatives, up to and including first cousins of any agency employee, board member or any:

- a. Person exercising, hiring, promotion, and termination authority may not be hired into agency service without approval of the chief executive or the executive committee of the school.
- b. Relatives within the third degree of kinship by blood or marriage of any agency employee, regardless of status, will not be hired in the same department, division, program, or facility where such has the potential for creating an adverse effect on supervision, safety, security, morale or involves potential conflicts of interest without the written prior approval of the chief executive.
- c. If two (2) employees marry or become related, or cohabit and a conflict arises, only one (1) of the employees will be permitted to stay with Innovations Public Charter School unless reasonable accommodations can be made to eliminate the potential problems. The decision as to which relative will remain with Innovations Public Charter School must be made by the two (2) employees within three (3) calendar days or by Innovations Public Charter School on the basis of service value.

CONFLICT OF INTEREST & DISCLOSURE POLICY

SECTION 1. PURPOSE:

Innovations Public Charter School is a state-funded organization that has been given autonomy in most matters in return for accountability. In order to maintain financial stability, public trust and support, charter school staff and Governing Board members



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shall demonstrate high ethical standards and welcome scrutiny by and accountability to governmental authorities as well as to members of the public.

Consequently, there exists between Innovations Public Charter School and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of the school honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the school and its students. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with the school or knowledge gained there from for their personal benefit. The interests of the school must be the first priority in all decisions and actions.

Please be aware that all Governing Board Members are bound by the State Ethics Laws as a public entity as stated in HRS Chapter 84.

SECTION 2. PERSONS CONCERNED:

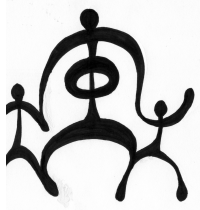
This statement is directed not only to directors and the governing board, but to all employees who can influence the actions of the governing board. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning Innovations Public Charter School.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, Governing Board members, and employees with any of the following third parties:

1. Persons and firms supplying goods and services to the school.
2. Persons and firms from whom the school leases property and equipment.
3. Persons and firms with whom the school is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting the school.
6. Agencies, organizations and associations which affect the operations of the school.
7. Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:



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A conflicting interest may be defined as an interest, direct or indirect, with any persons or businesses mentioned in Section 3. Such an interest might arise through:

1. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the school.
2. Receiving remuneration for services with respect to individual transactions involving the school.
3. Using the school's time, personnel, equipment, supplies, or good will for other than school-approved activities, programs, and purposes.
4. Receiving personal gifts or loans from third parties dealing or competing with school.
5. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

SECTION 5. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and
4. The Governing Board or a duly constituted committee thereof has determined that the transaction is in the best interest of the organization; and
5. State Ethics Laws.

Disclosure in the organization should be made to the school director (or if she or he is the one with the conflict, then to the Governing Board chair), who shall bring the matter to the attention of the [board or a duly constituted committee thereof]. Disclosure involving directors should be made to the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the [board or a duly constituted committee thereof].

The Governing Board or a duly constituted committee thereof shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to Innovations Public Charter School. The decision of the Governing Board or a duly constituted committee thereof on these matters will rest in their sole discretion, and their concern must be the welfare of the school and its students and the advancement of its purpose and in accordance with State Ethics Laws.