

1.005 Conflict of Interest and Nepotism

Conflict of Interest Policy

I. Disclosure

Full disclosure, by notice in writing, shall be made by the interested parties to the full Board of Directors in all conflicts of interest, including but not limited to the following:

1. A director is related to another director.
2. A director is related to a staff member.
3. A director is also a staff member. (According to the bylaws, staff members who are also board members are not voting members of the Board of Directors.)
4. A staff member in a supervisory capacity is related to another staff member whom he/she supervises.
5. A director or staff member receives payment from the school for any subcontract, goods, or services other than as part of his/her regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
6. A director or staff member is a member of the governing body of a contributor to the school or nonprofit running the school.
7. A director or staff member may have personal, financial, professional, or political gain at the expense of the school or its members.

II. Determination

Following full disclosure of a possible conflict of interest or any condition listed above, the Board of Directors shall determine whether a conflict of interest exists and, if so, the Board shall vote to authorize or reject the transaction and/or condition. Both votes shall be by majority vote without counting the vote of any interested director, even if the disinterested directors are less than a quorum, provided that at least one consenting director is disinterested.

III. Recusal

An interested director, officer, or staff member shall not participate in any discussion or debate of the Board of Directors, or any committee thereof, in which the subject of discussion is a contract, transaction, or situation in which there may be a conflict of interest other than to present factual information or to respond to questions prior to the discussion.

IV. Financial Interest

No director, officer, or staff member shall participate in the selection, award, or administration of a procurement transaction in which federal or state funds are used, where, to his/her knowledge, any of the following has a financial interest in that transaction:

- the staff member, officer, or director;
- any member of his/her immediate family;
- his/her partner;
- an organization in which any of the above is an officer, director, or employee;
- a person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment.

In addition, a contract or transaction can be rendered voidable by the Board of Directors if entered without full disclosure of the personal interests of a director, officer or staff members, the existence of any of the above-listed conditions shall likewise render a contract or a transaction voidable unless full disclosure of personal interests is made in writing to the Board of Directors and such transaction was approved by the Board in full knowledge of such interest.

No voting board member of the Board of Directors shall be an employee of a for-profit company that provides substantial services to the charter school for a fee.

The disinterested directors are authorized to impose by majority vote other reasonable sanctions as necessary to recover associated costs against a director, officer, or staff member for failure to disclose a conflict of interest as described in Section 1 or for any appearance of a conflict.

V. Appeal

Appeal from sanctions imposed pursuant to Sections 4 above shall be prescribed by law in those courts of the state NC with jurisdiction over both the parties and the subject matter of the appeal.

VI. Recover Fees

In the event that the Board of Directors have incurred costs or attorney fees as a result of legal action, litigation, or appeal brought by or on behalf of an interested director or staff member due to a conflict of interest and consequent sanctions and in the event that the Board of Directors prevails in such legal action, litigation, or appeal, the Board shall be entitled to recover all of its costs and attorney fees from the unsuccessful party.

VII. Confirmation

A copy of this policy shall be given to all directors, officers, and staff members upon commencement of such person's relationship with the School. Each Board member, officer, and staff member shall sign and date the policy at the beginning of his or her term of service or employment and each year thereafter. Failure to sign does not nullify the policy.

Nepotism Policy

When making recommendations for the selection and assignment of personnel, the Managing Director shall attempt to avoid situations in which one employee or Board member occupies a position in which he or she has influence over the employment status, including hiring, salary, and/or promotion, of another employee who is a member of the first employee's or Board member's family. The Board recognizes, however, that Ascend Leadership Academy operates in a small community, and such avoidance may not always be either practical or advisable when seeking the best possible employees for open positions. Therefore, when a member of a Board member's or ALA administrator's family is deemed the best possible applicant for an open position from among the pool of available applicants, the Managing Director shall make all documentation outlining his/her recommendation decision available to the Board and the Board member and/or administrator shall recuse himself/herself/themselves from the discussion(s) in which the Board considers the recommendation to hire that applicant. No teacher or staff member that is the immediate family of the lead administrator shall be hired without the board of directors evaluating their credentials, establishing a structure to prevent conflicts of interest, and notifying the Department, with evidence, that this process has occurred.