Adopted: November 10, 2010
Revised: December 15, 2010
Revised: September 25, 2013, February 24, 2016 (update to legal references)

BLUESKY CHARTER SCHOOL POLICY No. 2.4.1
CONFLICT OF INTEREST – BOARD OF DIRECTORS

I. PURPOSE

The purpose of this policy is to ensure the Board of Directors does not engage in actions that create a conflict of interest.

II. POLICY STATEMENT

The Board of BlueSky Charter School is committed to full compliance with the applicable provisions of state law.

III. DEFINITIONS

A. "Board" means the duly appointed or elected Board members of BlueSky Charter School.

B. "Control" means the ability to affect the management, operations, or policy actions or decisions of a person.

C. "Affiliate" means a person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

D. "Person" means an individual or entity of any kind.

E. "Immediate Family" means an individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin.

F. "Related Party" means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate.

IV. LIMITATIONS ON BOARD MEMBERSHIP

A. An individual is prohibited from serving as a member of the Board if:

1. The individual, an immediate family member, or the individual's partner;

2. Is a full or part owner or principal with;

3. A for-profit, or nonprofit entity, or independent contractor;

4. With whom the Board contracts, directly or indirectly, for professional services, goods, or facilities.

B. An individual is prohibited from serving as a Board member if an immediate family member is an employee of the school.

C. Violations

1. Contract Voided. A violation of this policy renders a contract voidable at the option of the Commissioner of Education or the Board.

2. Personal Liability. A member of the Board who violates this prohibition is individually liable to the school for any damage caused by the violation.

D. Any employee, agent, or board member of BlueSky Charter School's authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision is ineligible to serve on the Board.

V. LIMITATION ON CONTRACT ADMINISTRATION

A. No Board member, employee, officer, or agent of BlueSky Charter School shall participate in selecting, awarding, or administering a contract if a conflict of interest exists.

B. A conflict exists when any of the following individuals or an organization employing one of these individuals, has a financial interest in an entity with which the school is contracting:

1. A board member, employee, officer, or agent of BlueSky Charter School;

2. The immediate family of the board member, employee, officer, or agent; or

3. The partner of the board member, employee, officer, or agent.

C. A violation of this paragraph renders the contract void.

D. The conflict of interest provisions under this policy do not apply to compensation paid to a licensed teacher employed by BlueSky Charter School who also serves as a member of the Board of Directors.

VI. LIMITATIONS ON LEASES AND OTHER CONTRACTS

A. Contracts with Authorizer. BlueSky Charter School will disclose to the Commissioner of Education any potential contract, lease, or purchase of service from its authorizer.

B. BlueSky Charter School will accept any such contract only through an open bidding process, properly documented, and the contract must be a separate contract from BlueSky Charter School contract. BlueSky Charter School will not enter into a contract with its authorizer to provide management and financial services for the school without documenting that it received at least two competitive bids.

C. Leases of Property. BlueSky Charter School will not enter a lease of real property with a related party unless the lessor is a nonprofit corporation under Chapter 317A or a cooperative under Chapter 308A, and the lease cost is reasonably based on current market values.

***Legal References*:** Minn. Stat. §124E.07, subd. 3, para (b)~~D.10, subd. 4a~~ (Charter School Law– Conflict of Interest)
Minn. Stat. §124E.10, subd. 2~~D.10, subd. 4(d)~~ (Charter School Law– Formation of School)
Minn. Stat. §124E.13, subd. 2, para (a)~~D.10, subd. 23a.~~ (Charter School Law– Related Party Lease Costs)
Minn. Stat. §317A (Non-Profit Law)