

Adopted: 3/29/12

**PROPOSED CONFLICT OF INTEREST PROVISIONS FOR PRAIRIE CREEK
COMMUNITY SCHOOL**

Section 1. DEFINITIONS

- A. "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
- B. "Board" means the duly appointed or elected Board members of Prairie Creek Community School
- C. "Control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.
- D. "Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin;
- E. "Person" means an individual or entity of any kind.
- 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.

Section 2. LIMITATIONS ON BOARD MEMBERSHIP.

- A. An individual is prohibited from serving as a member of the Board if :
 - 1. the individual,
 - 2. an immediate family member, or
 - 3. the individual's partner
 - 4. is an owner

5. employee or agent of
5. or a contractor with
6. a for-profit
7. or nonprofit entity
8. with whom the Board contracts,,
9. directly or indirectly, for
10. professional services, goods, or facilities.

B. Violations.

1. Contract voided. A violation section (A) above 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.

C. Connection with authorizer. Any employee, agent, or board member of Prairie Creek Community 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.

Section 3, LIMITATION ON CONTRACT ADMINISTRATION.

A. No Board member, and no director employee, officer, or agent of the school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists.

B. A conflict exists when:

1. the board member, employee, officer, or agent;
2. the immediate family 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 (4)
5. has a financial or other interest in the entity with which the school is contracting.

A violation of this prohibition renders the contract void.

C. The conflict of interest provisions under this policy do not apply to compensation paid to a teacher employed by Prairie Creek Community School who also serves as a member of the Board of Directors.

IV. LIMITATIONS ON LEASES AND OTHER CONTRACTS.

A. Contracts with authorizer. Prairie Creek Community School will disclose to the Commissioner of Education any potential contract, lease, or purchase of service from its authorizer. Additionally, Prairie Creek will accept any such contract only through an open bidding process, properly documented, and the contract must be a separate contract from Prairie Creek contract. Prairie Creek will not enter into a contract for its authorizer to provide management and financial services for the school without documenting that it received at least two competitive bids.

B. Leases of property. Prairie Creek Community 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 reasonable based on current market values.