Vista Charter School Conflict of Interest Policy

Each member of the Board of Vista Charter School shall subscribe to the following policy annually. Violation of the Conflict of Interest Policy shall be grounds for removal against Directors or officers.

Conflict of Interest Policy

In carrying out their fiduciary duties, a board member or staff member shall not:

1. Use their positions for a private advantage or personal financial or material gain.
2. Accept a gift of substantial value (or a substantial economic benefit which is the same as a gift of substantial value) which would tend to improperly influence a reasonable person in their position or which he or she knows or should know is primarily for the purpose of rewarding them for official action taken.
3. Engage in a substantial financial transaction for their private business purposes with a person whom they supervise in the course of their official duties.
4. Perform an official act which directly and substantially confers an economic benefit on a business or other undertaking in which he or she has a substantial financial interest or in which he or she is engaged as a counsel, consultant, representative or agent.
5. Participate directly or indirectly in the purchasing process if the employee has a direct relationship with a vendor doing business with the school.
    a. A direct relationship may include the business being owned by or employing a family member of the board member or staff member.
    b. Direct or indirect participation means involvement through decisions, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specifications or procurement standard, rendering of advice, investigation, auditing or acting in any other advisory capacity.
6. The school shall not purchase goods or services from a business owned by an immediate family member of a board member or employee, unless the goods or services are procured through a competitive process by and determined to be in the school's best interest.

Ethical Principles

These principles provide that a board member should not:

1. Acquire or hold an interest in any business or undertaking which he or she has reason to believe may be directly and substantially benefited by official action to be taken by the school.
2. Within six months following the termination of their position, obtain employment in which they will take direct advantage, unavailable to others, of matters with which they were directly involved during their term of office.

3. Perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when they have a substantial financial interest in a competing firm or undertaking.

Disclosure Requirements

A board member or staff member, who has personal or private interest in any matter, proposed or pending before the board shall disclose such interest to the board, shall not vote on the matter and shall refrain from attempting to influence the decisions of other members of the board.

After disclosure of a financial interest or other potential conflict of interest and all material facts, and after any discussion with the interested person, the interested person shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall discuss and vote on whether a conflict of interest exists.

After exercising due diligence, the governing board or committee shall determine whether the School can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the School's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

A board member may vote if their participation is necessary to obtain a quorum or otherwise enable the board to act and if disclosure has been made to the secretary of state giving the information required by statute. The written disclosure to the secretary of state must include:

1. the amount of their financial interest;
2. the purposes and duration of services rendered;
3. the compensation received; and
4. any other information to describe the interest.

If the board member votes on the matter, the member should make a public disclosure on the record at the time of voting.

Annual Statements

Each board member, committee member, and staff member shall annually affirm that the individual:

1. Has received a copy of the Conflict of Interest Policy;
2. Has read and understands the policy; [and]
3. Has agreed to comply with the policy; [if applicable: and
4. Understands the school is recognized by the IRS as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and in order to maintain its federal tax exemption the school must engage primarily in activities which accomplish its tax-exempt purposes.]

Excessive Compensation

The Principal of Vista Charter School (the "School") is the person principally responsible for the efficient and effective operation of the School. Therefore, it is the desire of the Board to provide a fair yet reasonable and not excessive compensation for the principal (and any other highly compensated employees and consultants).

The annual process for determining compensation is as follows:

1. The VCS Board shall annually evaluate the principal on their performance, and ask for their input on matters of performance and compensation;
2. The Board (or a designated committee) will obtain research and information to make a recommendation for the compensation (salary and benefits) of the principal (and any other highly compensated employees or consultants) based on a review of comparability data. For example, the Board will consider data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:
    a. Salary and benefit compensation studies by independent sources;
    b. Written job offers for positions at similar organizations;
    c. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
    d. Information obtained from the IRS Form 990 filings of similar organizations.
3. To approve the compensation for the principal (and any other highly compensated employees and consultants) the Board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:
    a. A description of the compensation and benefits and the date it was approved;
    b. The members of the board who were present during the discussion about compensation and benefits, and the results of the vote;
    c. A description of the comparability data relied upon and how the data was obtained; and
    d. Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the board but who had a conflict of interest with respect to the decision on the compensation and benefits.

4. The Chair of the Board, who is a volunteer and not compensated by Vista Charter School, will operate independently without undue influence from the principal. No member of the Board may have any relationship with staff that could present a conflict of interest.