



Conflict of Interest Policy

References: 53G-5-40

PURPOSE

Merit Preparatory Academy (MPA) is committed to maintaining a conflict-free environment to ensure the integrity of its operations and safeguard its tax-exempt status. This policy aims to prevent any conflicts of interest in the school's finances, contracts, agreements, transactions, employee relations and services, except as allowed by law.

DEFINITIONS

- I. Conflict of Interest:** occurs when an MPA representative, directly or indirectly (through business, investment, family, or other relationships), stands to benefit financially or otherwise from school-related contracts, agreements, transactions, or services. Financial benefits include direct and indirect remuneration, gifts, or favors of any amount.
- II. Charter School Officer:**
 - A.** A member of the charter school's governing board.
 - B.** A member of the board or an officer of a nonprofit corporation under which the charter school is organized and managed.
 - C.** The director of Merit Academy.
- III. Employment:**

A position in which a person's salary, wages, pay, or compensation, whether as an employee or contractor, is paid from charter school funds. This does not include charter school volunteers.
- IV. Relative:**

A father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.

POLICY

- I.** This policy applies to all MPA representatives, including:
 - A.** Board members;
 - B.** Administrators;
 - C.** Employees;
 - D.** Consultants; and

- E. Volunteers who make or influence decisions on school contracts, agreements, transactions, and services.
- II. All MPA representatives are required to complete a **conflict of interest disclosure statement** annually.
 - A. If any MPA representative has an interest in a contract or transaction presented to the board or a committee for authorization, approval, or ratification, they must:
 - 1. Make a prompt and full disclosure of their interest;
 - 2. Provide any relevant and material facts that could reasonably be construed as a conflict of interest; and
 - 3. This disclosure should happen **prior** to any action on the contract or transaction.
- III. No board member may vote on a matter that directly affects services provided by them or an organization they represent, or which may financially benefit them, either directly or indirectly.
 - A. All such conflicts must be **fully disclosed** to fellow board members at the meeting where the contract is being considered.
 - B. Any exceptions to the conflict of interest policy must be granted through written approval from both:
 - 1. The Director of MPA; and
 - 2. The Board of Trustees
- IV. A relative of a charter school officer **may not be employed** at MPA unless the following conditions are met:
 - A. The charter school officer must disclose the relationship in writing to the other charter school officers.
 - B. The proposed employment must be submitted to Merit Academy's governing board and approved by a unanimous vote:
 - 1. The charter school officer must be absent from the portion of the meeting during which the employment is discussed and decided; and
 - 2. The charter school officer must abstain from voting on the employment decision.
 - C. Related individuals may not be in a supervisory relationship unless there are at least two levels of supervision between them.
 - 1. If such separation is not possible, an exception must be requested and approved by both the Director and a unanimous vote of the Board of Trustees.
- V. A relative of a Merit Academy officer, employee, consultant, or volunteer **may not serve on the Board of Trustees** at MPA unless the following conditions are met:
 - A. The relationship is disclosed in writing to charter school officers.
 - B. There must be at least three levels of supervision between the governing officer and the relative employed by, volunteering for, or consulting with the school.

1. Exceptions to this policy provision require written approval from both the Director of MPA and a unanimous vote of the Board of Trustees.
- C. The proposed appointment is submitted to Merit Academy's governing board and approved by a unanimous vote:
 1. The charter school officer is also absent from the portion of the meeting during which the appointment is discussed and determined; and
 2. If the relative of a charter school officer is involved, the officer abstains from voting on the appointment decision.
- VI. A charter school officer or a relative of a charter school officer **may not have a financial interest** in a contract or other transaction involving MPA, except as provided below.
 - A. The charter school officer shall:
 1. Disclose the financial interest, in writing, to the other charter school officers;
 2. Submit the contract or transaction decision to the governing board for approval by a majority vote;
 3. Abstain from voting on the issue; and
 4. Be absent from the portion of the meeting where the contract or transaction is being considered and determined.
- VII. If a relationship develops between individuals within the same team or department, both individuals must disclose the relationship immediately to:
 - A. Their direct supervisor; and
 - B. The School Director
- VIII. If a conflict arises due to the relationship, the individuals involved may need to be reassigned to different teams or departments to eliminate the potential conflict.
 - A. If no alternative roles are available for reassignment, only one individual may remain in their current position.
- IX. Nepotism exceptions require written approval by both the Director of MPA and the Board of Trustees.

Revised & Approved: 4/10/2025