

## Conflict of Interest Policy

Adopted: October 24, 2017

Modified: October 2022

Last review: October 2022

### 1 Purpose

2 The purpose of this policy is to provide general direction so that individual board members and employees  
3 can seek further clarification on issues related to conflicts of interest.

### 4 Definitions

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- 7 A. “Affiliate” means a person that directly or indirectly through one or more intermediaries, controls,  
8 is controlled by, or is under common control with another person.
- 9 B. “Immediate Family” means an individual whose relationship by blood, marriage, adoption, or  
10 partnering is no more remote than first cousin.
- 11 C. “Related Party” means an affiliate or immediate relative of the other party in question, an affiliate  
12 of an immediate relative, or an immediate relative of an affiliate.
- 13 D. “Conflict of interest” can generally be described as a situation in which an individual’s loyalty is,  
14 or may appear to be, divided between self-interest or the interests of a third-party and the interests  
15 of MNOHS. The types of activities and relationships board members and employees must avoid  
16 include, but are not limited to:
- 17 • Accepting, agreeing to accept, or soliciting money or other tangible or intangible benefits in  
18 exchange for favorable decisions or actions in the performance of one’s job or that might  
19 appear to influence one’s decision-making or professional conduct;
  - 20 • Accepting employment or compensation or engaging in any business or professional activity  
21 that might require disclosure of confidential information or trade secrets;
  - 22 • Accepting employment or compensation that could reasonably be expected to impair one’s  
23 independent judgment in the performance of one’s duties;
  - 24 • Accepting a kickback, bribe, substantial gift, or special consideration as a result of any  
25 business dealings involving MNOHS;
  - 26 • Giving preferential treatment to any person or company in which the individual board  
27 member or employee—or their relative, spouse, partner, child, or friend—has a significant  
28 ownership interest or relationship.
- 29

### 30 Policy

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- 31           A. All MNOHS board members and all employees who engage in the award and administration of  
32           contracts and/or purchases must avoid activities or relationships that conflict with MNOHS' interests  
33           or adversely affect the school's reputation. No policy can describe every situation that may  
34           constitute a conflict of interest. Board members should contact the MNOHS Board President with  
35           questions about conflict of interest. Employees should contact the MNOHS Executive Director with  
36           questions.  
37
- 38           B. Each MNOHS board member and each employee who engages in the award and administration of  
39           contracts and/or purchases will participate annually in training regarding conflicts of interest and  
40           will complete an annual Conflict of Interest Disclosure form.  
41
- 42           C. MNOHS employees who engage in the award and administration of contracts and/or purchases must  
43           disclose actual or potential conflicts or any relationship that may create the appearance of a conflict  
44           of interest to the Executive Director, in writing, as soon as they become aware of them so that  
45           safeguards can be established to protect all parties. The Executive Director will investigate any  
46           conflicts of interest and determine what action is warranted. Failure to make required disclosures or  
47           resolve conflicts of interest satisfactorily may result in discipline up to and including termination of  
48           employment, as determined by the Executive Director and Board of Directors.  
49
- 50           D. MNOHS board members must disclose actual or potential conflicts or any relationship that may  
51           create the appearance of a conflict of interest to the Board President, in writing, as soon as they  
52           become aware of them so that safeguards can be established to protect all parties. The Board  
53           President will investigate any conflicts of interest and determine-what action is warranted. Failure to  
54           make required disclosures or resolve conflicts of interest satisfactorily may result in termination of  
55           board membership, as determined by the Board of Directors.  
56
- 57           E. The Executive Director will disclose in writing any potential conflicts of interest to the Minnesota  
58           Department of Education (MDE). The disclosure form documenting a potential conflict will be sent  
59           to the Chief Financial Officer at MDE.  
60
- 61           F. The Executive Director and Board President will disclose any violations of federal criminal law  
62           involving fraud, bribery, or gratuity violations to appropriate authorities and the Minnesota  
63           Department of Education (MDE).

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### 64 Limitations On Leases And Other Contracts

- 65 A. Contracts with Authorizer. MNOHS will disclose to the Commissioner of Education any potential  
66 contract, lease, or purchase of service from its authorizer.
- 67 B. Contracts with Vendors. MNOHS will accept any contract only through a properly documented  
68 open bidding process. MNOHS will not enter a contract with a vendor for management and  
69 financial services for the school without documenting that it received at least two competitive bids.
- 70 C. Leases of Property. MNOHS will not enter a lease of real property with a related party unless the  
71 lessor is a nonprofit corporation under Chapter 317A or a cooperative under Chapter 308A, and  
72 the lease cost is reasonably based on current market values.

73

74 **Legal References:** Uniform Governance Guidance 2 CFR 200, Subpart B, Section §200.112-113

75 Minn. Stat. §317A (Non-Profit Law)

76 Minn. Stat. §308A (Non-Profit Law)