

I. PURPOSE

The purpose of the Conflict of Interest Policy is to protect Athlos Academy of Utah’s (“AAU”) interests when conducting business or contemplating entering into a transaction that might benefit the private interests of an Interested Person (defined below), to ensure compliance with state and federal law concerning conflict of interests for members of the board of directors (“Governing Board member”), and to prevent any actual, potential, or perceived conflict of interest or the appearance of impropriety. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest applicable to charter schools.

II. DEFINITIONS

A. Interested Person: An Interested Person is:

1. A Governing Board member, employee, officer, or agent;
2. The immediate family of the Governing Board member, employee, officer or agent;
3. The partner of the Governing Board member, employee, officer, or agent; or
4. An organization that employs, or is about to employ any individual in clauses 1 – 3.

B. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which AAU enters a contract;
2. A compensation arrangement with AAU or with any entity with which AAU enters a contract; or
3. A potential ownership or investment interest in, or compensation arrangements with, any entity with which AAU is negotiating a contract.

C. Committee: Any standing or ad hoc Governing Board committee with board delegated authority

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- D. Immediate Family: An individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin.

III. POLICY

- A. No Interested Person shall participate in selecting, awarding, or administering a contract if a conflict of interest exists.
- B. A conflict of interest exists when an Interested Person has a financial or other interest in the entity with which AAU is contracting. A violation of this prohibition renders a contract void.
- C. In accordance with Utah Code § 52-3-1, members of the Governing Board or an employee's immediate family will be considered for employment based solely on their qualifications.
- D. It is an offense for a Governing Board member, employee, or officer to receive or agree to receive compensation for assisting any person or business entity in any transaction involving an agency without complying with the provisions in Utah Code § 67-16-6. A Governing Board member, employee, or officer must not receive compensation from a group health insurance provider.
- E. It is unlawful for any person affiliated with a charter school to demand or request any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the charter school as a condition for employment or enrollment at the school or continued attendance at the school according to Utah Code § 53A-1a-513(9).
- F. The conflict of interest provisions in this policy do not apply to compensation paid to a teacher employed as a teacher by AAU or a teacher who provides instructional services to AAU when the teacher also serves on the AAU Governing Board.

IV. PROCEDURES

- A. Duty to Disclose: In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the financial or other interest and be given the opportunity to disclose all material facts to the Governing Board or Committee, in order to determine if an actual conflict of interest exists.
- B. Violations of the Conflict of Interest Policy:

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1. If the Governing Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose; and
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Governing Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

C. Recording Proceedings: The minutes of the Governing Board and all Committees shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest;
2. The nature of the financial interest;
3. Any action taken to determine whether a conflict of interest was present;
4. The Governing Board's or Committee's decision as to whether a disclosed possible conflict is in fact a conflict of interest;
5. The names of the persons who were present for discussions and votes relating to the contract;
6. The content of the discussion, including any alternatives to the proposed contract; and
7. A record of any votes taken in connection with the proceedings.

V. ACKNOWLEDGEMENT

A. Acknowledgements: Each Governing Board member, employee, officer, or agent, Committee member, and AAU employee shall, upon appointment, sign an acknowledgement that affirms such person:

1. Has received a copy of the Conflict of Interest Policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands AAU is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Legal References:

[Utah Admin R277-113](#)

[Utah Code § 16-6a-825](#) (Utah Revised Nonprofit Corporations Act)

[Utah Code § 52-3-1](#) (Employment of Relatives)

[Utah Code 53A-1a-513](#) (Funding for Charter Schools)

[Utah Code § 67-16-6](#) (Utah Public Officers' and Employees' Ethics Act)

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CONFLICT OF INTEREST POLICY ACKNOWLEDGMENT

I, _____, as a Governing Board Member, employee, officer, or agent, Committee member, or AAU employee recognize that I am subject to AAU's Conflict of Interest Policy. I have received, read and understand the Conflict of Interest Policy, I understand the school is a charitable institution, and I agree to comply with its conditions during my term of service to the school.

Signature

Date