

1140	Conflict of Interest Policy
Approval Date:	April 2015, Revised June 2018
Category:	Foundations and Basic Commitments
Governance Accountability:	Board of Directors, Leadership
Audience:	Employees, Volunteers, Board of Directors

All Pine Lake Preparatory employees and Board of Director members have an obligation to act at all times in the best interest of Pine Lake Preparatory and to conduct all Pine Lake Preparatory-related business without any actual or potential conflict of interest. Pine Lake Preparatory employees and Board members will not incur any type of financial or personal obligation, nor receive any benefit, which may serve to affect his or her judgment in acting on behalf of Pine Lake Preparatory. Employees and Board members must at all times act in a manner consistent with the spirit of this policy and their specific responsibilities with Pine Lake Preparatory and take all necessary precautions to avoid any actual or potential conflict of interest. No voting members of the governing board (Pine Lake Preparatory Board of Directors) shall be an employee of a for-profit company that provides substantial services to the charter school for a fee. No employee of the charter school shall be immediate family (as defined in G.S. 115C-12.2) to any member of the Nonprofit board of directors (PLP Board of Directors). No employee of the charter school, whether hired by the board of directors or a management company, shall be a voting member of the Nonprofit board of directors.

An actual or potential conflict of interest occurs when a person of influence is in a position to impact a decision, which may result in direct or indirect benefit, personal gain or advantage.

- A person of influence is defined as an employee or Board member; their representatives or relatives.
- A representative is defined as any person or entity acting for, on behalf of, or in the name of an employee or Board member or is otherwise directly associated or connected to the employee or Board member for business or other purpose.
- A relative is defined as any person who is related by blood or marriage, or whose relationship with the employee or Board member is similar to persons who are related by blood or marriage.

No person of influence unless otherwise exempted by state law, who is involved in making or administering a contracts, transactions or decisions on behalf of Pine Lake Preparatory may derive a direct benefit from such actions. In addition, if exempted, persons who may derive a direct benefit, but who are not involved in making or administering Pine Lake Preparatory contracts, transactions or decisions, shall not attempt to influence any other person or entity who is involved in such actions.

Business dealings and contracts with outside firms should not result in unusual gains for those firms and shall not result in any gain or direct benefit for Pine Lake Preparatory persons of influence, including kickbacks, bribes, bonuses, fringe benefits, promises of employment, or other windfall designed ultimately to benefit either the outside firm or persons of influence. Gifts or gratuities from any vendors, potential vendors or families to any person of influence with a face value of more than \$150 must be reported to the Head of Schools and approved by the Board of Directors.

Except as otherwise specified above or by applicable state or federal law, person of influence who have impact over transactions involving Board purchases, contracts, leases or other business matters, must disclose the existence of any actual or potential conflict of interest in writing to the Board Chairperson, as soon as possible, so safeguards may be established in order to protect all parties. All persons of influence, who have knowledge of any actions that may violate this policy, should contact the Board Chairperson or Head of School as soon as possible.

A person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with the school's conflict of interest policy as provided in G.S. 115C-218.15(b)(3) and applicable law. Reference § 115C-218.15.

No voting member of the governing board shall be an employee of a for-profit company that provides substantial services to the charter school for a fee.

Failure to make advanced disclosure of potential conflicts of interest, or to otherwise fail to abide by the requirements set forth in this policy, may result in disciplinary action up to and including discharge of an employee or removal of a Board member.

Board practice regarding conflicts of interest shall be governed ultimately by G.S. 55A-8-31, as amended or replaced at any time subsequent to the adoption of this policy.

Pine Lake Preparatory employees may offer services to the community, outside of the regular school hours, such as tutoring, sports, music lessons, or other professional services. These types of activities are not considered a conflict of interest.

Examples of conflicts of interest, prohibited by this policy include, but are not limited to

the following:

- Holding a financial interest (more than a ten percent ownership or other interest), and/or acting as an officer, director, partner, creditor or guarantor for an outside firm or entity that provides goods or services, or property to Pine Lake Preparatory; Acting as an agent for any manufacturer, merchant, dealer, publisher or author for any article of merchandise or service to be used by, sold or distributed to Pine Lake Preparatory;
- Borrowing money from suppliers, customers or other firms or entities with whom Pine Lake Preparatory does business, with the exception of lending institutions; or soliciting or receiving any gift, reward, or promise of reward in exchange for recommending, influencing or attempting to influence the award or outcome of a contract, transaction or other decision of a contract, transaction or other decision.
- The receipt of any gift, reward, or promise of reward in exchange for recommending, influencing or attempting to influence the evaluation of an action, appointment, or other decision.

