El Camino Real Academy

Board Training

Conflict of Interest

Included in this email are the bylaws of the Governing council, as approved on May 10, 2011.

Please make sure you have read and understand the bylaws. In this training we will be reviewing conflict of Interest.

**ARTICLE X**

CONFLICT OF INTEREST POLICY

1. General Principles. It is the responsibility of all Council members to conduct themselves in accordance with the highest standards of integrity, honesty, and fair dealing to preclude any appearance of a conflict between the interest of ECRA and the personal interests of the member. Likewise, it is the responsibility of the Council to ensure that the school conducts all its business and operations impartially in accordance with all laws. All hiring and other transactions imposing financial and/or legal obligations on ECRA shall be made with the best interests of ECRA as the foremost consideration.

The Council also recognizes that the ultimate success of ECRA depends upon the active participation, cooperation and collaboration of all stakeholders. Sometimes, the best interests of ECRA may involve the creation of relationships that might create an appearance of impropriety or potential for abuse of position, if not carefully evaluated by disinterested parties. ECRA therefore has established this policy to guide Council members in their actions or relationships, so that they will avoid the appearance of having their judgment or the performance of their duties compromised.

1. Conflict of Interest Definition. A conflict of interest occurs whenever a Council member permits the prospect of direct or indirect personal gain (or gain to a relative or Related Party) to influence improperly his or her judgment or actions in the conduct of ECRA business. It is not practical to specify every action that might be considered to raise a conflict of interest. Consequently, Council members should immediately disclose to the Council any circumstance that may give rise to the appearance of a conflict of interest. The following situations describe examples of direct conflicts of interest that should be reported to the Council and avoided by Council members.
   1. Acquiring, leasing, selling any property, facilities, materials, or contract services (e.g., financial, legal, public relations, computers) by ECRA under circumstances in which there is direct or indirect compensation to a Council member, or his/her relative or a Related Party of the member.
   2. Using confidential information acquired by virtue of the member’s associations with ECRA for their individual or another's private gain.
   3. Requesting or receiving and accepting a gift or loan to the member or a Related Party that tends to influence the member or appear to influence the member in the discharge of his/her duties as Council members.
   4. Influencing or having the appearance of influencing business with suppliers to ECRA, which results in the financial benefit to the member, his or her relatives or a Related Party.
2. Transactions with Interested Council Members. Neither the Council nor ECRA shall enter into a financial transaction with any Council member or a Related Party of a member unless during a public meeting: (a) the nature of the direct or indirect financial interest is fully disclosed to the Council; (b) the transaction is expressly approved by a majority of the Council members present at such meeting who have no direct or indirect personal financial interest in the transaction; and (c) the Council has established that: (i) the transaction is financially no less favorable to ECRA than would be available in an arm's length transaction between unrelated parties; (ii) no Council member will be, as a result of ECRA entering the transaction in question, in a position to influence decisions relating to the questioned transaction and (iii) the benefits to ECRA outweigh any appearance of a conflict of interest. A written contract or other written memorandum shall evidence all such interested transactions approved by the Council, and be reflected in Council minutes.
3. Related Party. For purposes of these Bylaws, a "Related Party" is an individual, business enterprise, nonprofit organization or other entity with respect to which such Council member, or a relative of such a Council member (i) has a direct or indirect financial interest; (ii) is an officer or director; or (iii) is otherwise in a position to control the management or decision-making of such entity.
4. Deliberations and Voting on Conflict Issues: In order to avoid conflicts of interest and the appearance of impropriety Council members shall not participate in any meeting, deliberation, or vote of the Council relating to (i) the discipline of himself or herself; (ii) discipline or employment decisions affecting any relative of the Council member; or (iii) the Council’s consideration of any transaction affecting the member for purposes of determining whether a conflict of interest exists. Disciplinary matters pertaining to a Council member shall be held in an open meeting and may not be convened to a closed session unless the discussion may implicate matters properly exempted by the Open Meetings Act.
5. Violation of Conflict of Interest Policy. Upon discovery of a possible infraction of the ECRA Conflict of Interest Policy, the discovering party is required to immediately notify the Council president and Principal. The matter shall be considered and resolved at the next regularly scheduled meeting of the Council. If the Council decides that an ECRA employee, Council member, or volunteer has violated the conflict of interest rules or otherwise abused or attempted to abuse his or her position at ECRA, the Council shall review and recommend appropriate action.
6. Annual Disclosure Statement. Each Council member shall complete an “Annual Disclosure Statement,” in which he/she is responsible for disclosing to the Council the existence of any such direct or indirect interest. Failure to make such disclosure shall be grounds for voiding the transaction, at the discretion of the Council.