

GOAL ACADEMY POLICY

Conflict of Interest

Section: G - Personnel
Policy Number: G-5
Policy Name: Conflict of Interest

Approval Authority: Board of Directors
Responsible Executive: Chief Executive Officer
Responsible Office: Chief Executive Officer
Originally Issued: 4/30/2012
Revisions: 5/31/2016, 7/31/2018, 5/12/2022

1. Policy Statement

The purpose of the conflict of interest policy is to protect GOAL Academy's tax- exempt interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the School or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal law that governs conflict of interest applicable to nonprofit and tax- exempt charitable organizations.

2. Reason for Policy

School employees are expected to perform the duties of the position to which they are assigned and to observe rules of conduct and ethical principles established by state law and board policy and regulations.

3. Who Should Read This Policy

All members of the GOAL Academy community

4. Related Documents

5. Contacts

Chief Executive Officer

6. The Policy

DEFINITIONS: Interested Person. Any director, executive officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

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

- has an ownership or investment interest in any entity with which GOAL Academy has a transaction or arrangement;

- has a compensation arrangement with GOAL Academy or with any entity or individual with which GOAL Academy has a transaction or arrangement;
- has a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which GOAL Academy is negotiating a transaction or arrangement; or
- serves as an officer or director of any entity which is entering into or considering entering into a contract, transaction, or other financial relationship with GOAL Academy.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial to the Interested Person or any entity related to the Interested Person.

A financial interest is not necessarily a conflict of interest, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Related To. A party is “related to” an interested person if that party is a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling (collectively a “**Relation**”), an estate or trust in which the interested person or his/her Relation related to the person has a beneficial interest, or an entity in which an interested person or his/her Relation is a director, officer, or has a financial interest.

PROCEDURES

Duty to Disclose. In connection with any actual or possible conflict of interest an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board delegated powers considering the proposed transaction or arrangement.

Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists, even if less than a quorum.

Procedures for Addressing the Conflict of Interest.

An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate in the discretion of the chairperson, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether GOAL Academy can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors, even if less than a quorum, whether the transaction or arrangement is in GOAL Academy's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Violations of the Conflicts of Interest Policy. If the governing board or committee 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.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

RECORDS OF PROCEEDINGS

The minutes of the governing board and all committees with board delegated powers shall contain:

- (a) 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, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

COMPENSATION

Compensation to Directors. A voting member of the governing board who receives compensation, directly or indirectly, from GOAL Academy for services rendered other than his or her services to the School as a member of the governing board, is precluded from voting on matters pertaining to that member's compensation.

Compensation to Committee Members. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School for services rendered other than his services to GOAL Academy as a member of the committee, is precluded from voting on matters pertaining to that member's compensation.

Presentation of Information by Interested Person. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from GOAL Academy, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

No Compensation for Board Service; Reimbursement Authorized. The board of directors shall not be entitled to any compensation for their role as members of the board of directors or service on any committee thereof. Directors may be paid their reasonable expenses incurred in connection with attendance at board or committee meetings or to fulfill board responsibilities, but only upon board approval.

ANNUAL STATEMENTS

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands GOAL Academy is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

PERIODIC REVIEWS

Reviews by Board of Directors. To ensure GOAL Academy operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, the board of directors shall conduct annual reviews. The annual reviews shall, at a minimum, include the following subjects:

- (a) whether compensation arrangements and benefits for the Executive Director are reasonable, based on competent survey information, and the result of arm's length bargaining, and
- (b) whether partnerships, joint ventures, and arrangements with any taxable organizations conform to the School's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Reviews by the Chief Executive Director. The Chief Executive Director shall annually review the reasonableness of the compensation paid to the Executive Officers of the school as set by the Chief Executive Director in accordance with Section 5.7 of the Bylaws. The Chief Executive Director shall prepare a report to the board of directors regarding his or her determinations as well as the basis for the reasonableness of his or her conclusions.

USE OF OUTSIDE EXPERTS

When conducting the periodic reviews, the board/Chief Executive Director may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the parties of their responsibility for ensuring periodic reviews are conducted.

COMPETITION IN CONTRACTING

Goal Academy shall at all times comply with its Financial Controls Policy then in effect with regards to competition in pricing and the other matters set forth therein.

LOANS PROHIBITED

No loans shall be made by GOAL Academy, or authorized by the Board of Directors, to any person or entity for any purpose.

