

Conflict of Interest

Purpose:

To assist directors, officers and any other interested person of Peoria Charter School Initiative, Inc. d/b/a/ Quest Charter Academy (Quest), to identify and avoid any conflict of interest or the appearance of any conflict of interest, and provide a procedure to appropriately manage such conflicts. The policy applies to all aspects of Quest's operations, including but not limited to transactions and arrangements that may potentially benefit the private interest of any Interested Party. This policy is intended to supplement but not replace applicable state and federal laws governing conflict of interests.

Definitions:

1. **Interested Person.** Any member of the board of directors, or any officer, employee, agent or member of a committee with governing board delegated powers.
2. **Conflict of Interest.** Conflict of interest may be deemed to exist whenever an Interest Party is in a position to approve or influence Quest's policies or actions which would involve, ultimately harm or financially benefit:
 - a) the individual;
 - b) any members of the individual's family (spouse, life partner, parents, children, siblings, spouses, step or half relatives);
 - c) any organization in which the individual or an immediate family member have substantial financial interest.

General Policies and Expectations:

All directors, officers and staff owe a duty of loyalty to Quest. The duty of loyalty requires that interested parties exercise their powers in good faith and in the best interest of Quest, rather than their own interest. Interest parties are expected to commit themselves to ethical and professional conduct, including the proper use of authority

No interested person may be in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust, or corporation, in any contract, business, or work in the making or letting of which such person may be called upon to act or vote on behalf of Quest.

No interested person may take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or bribe or means of influencing his vote or action in his official character.

No interested person, officer, teacher or other employee shall be interested in the sale, proceeds or profits of any book, apparatus or furniture used or to be used at Quest, unless an exemption applies as set forth in 105 ILCS 5/22-5.

The Board of Directors shall at all times be separate and distinct from the governing body of any charter management organization or educational management organization. No employee of Quest shall be simultaneously employed by a charter management organization or educational management organization.

Administrative Procedures

1. Duty to Disclose. In connection with any actual or possible conflict of interest, a potentially interested Board member must disclose the existence of the financial interest and all other material facts to other members of the governing board concerning such interest or proposed transaction or arrangement that would create such financial interest. A potentially interested employee must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Executive Director and Chairman of the Board.

Each Interest Party is requested to provide annually, a statement of disclosure which shall include a list of offices and directorships he or she holds in charitable and business organizations and to identify his or her place of employment or principal business activity. Interested Parties are expected to disclose a potential conflict of interest:

- a) prior to voting on a matter or otherwise discharging his or her duties;
- b) prior to entering into any contract which is subject to approval by the Board or any committee; and
- c) as soon as possible after the individual learns of a conflict of interest in any other context.

When the board, committee or staff is to decide upon an issue which a member has an unavoidable conflict of interest, that member shall physically absent herself or himself without comment from not only the vote but also from the deliberation, unless directly requested by the chair of the board or relevant committee to provide factual information or answer factual questions that may assist the board or committee in making a wise decision. If no case shall that member vote on such matter or attempt to exert personal influence in connection therewith. Disclosure and abstention shall be recorded in the minutes of the meeting(s) at which the issue is discussed and decided.

In order to avoid both the reality and appearance of nepotism, Quest Board members and administrators shall not employ or accept application for hire from any teacher or other employee if such teacher or other employee is within an immediate family relationship with a member of the Board. Immediate family member includes: parents, spouses, siblings, children, grandparents, grandchildren, parents-in-law, siblings-in-law, civil union/domestic partners, and legal guardians. A Board member or administrator with an existing familial relationship with an employee, or who has had a change in circumstances which creates a relationship with any employee of Quest, shall declare such relationship as soon as possible.

2. Procedures for Determining and Addressing a Conflict of Interest. Uninterested members of the Board shall determine whether a potential conflict exists or whether an appearance of conflict exists and shall determine whether the interested person shall be removed from his or her role on the Board or employment with the school, or would require the Board to not enter a contract, transaction, or arrangement.

3. Violations of the Conflicts of Interest Policy. If the governing board has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the governing board determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Failure to disclose a conflict of interest may result in disciplinary actions up to and including termination of employment or removal from the Board of Directors or a committee, as appropriate.

4. Records of Proceedings. The minutes of the governing board 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 decision as to whether a conflict of interest in fact existed, or whether an appearance of conflict was present.
- 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.

5. Annual Statements. Each director, officer, employee, agent, 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 Quest 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.

6. Periodic Reviews. To ensure Quest operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b) Whether partnerships, joint ventures, and arrangements conform to Quest'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.

Peoria Charter School Conflict of Interest Certification and Disclosure Form

Name: _____

Date: _____

Position: _____

Certification

By signing this form below, I certify that:

1. I have received a copy of Quest's conflict of interest policy;
2. I have read and understand the policy;
3. I agree to comply with the policy; and
4. I understand that the organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its exempt purposes and not engage in activities and transactions that provide impermissible benefits to individuals or entities.

Conflict of Interest Disclosure

Please certify below that you either have no actual or possible conflict of interest to report, or describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to an actual or possible conflict of interest between the organization and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report.

_____ I have the following actual or possible conflict(s) of interest to report.

1. Please specify below any actual transactions you are aware of between Quest and any entity or person with which you have a business, investment, or family relationship. (Please attach a supplemental statement if you have additional actual or possible conflicts of interest to disclose.)
2. For the purposes of determining possible future conflicts of interest, please also specify other nonprofit and for-profit boards on which you and/or your spouse sit, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own).

1.

2.

3.

(Please attach additional if necessary)

I certify that the information set forth above is true and complete to the best of my knowledge.

Signature: _____

Date: _____