



## **Conflict of Interest and Nepotism Policy**

**1. Purpose.** The purpose of this policy is to assure and ensure compliance with conflicts of interest and nepotism laws such as those within the Charter Schools Act (NMSA § 22-8B-5.2) and Public School Code (NMSA § 22-1-1 et. seq.).

### **2. Definitions.**

**A. “Immediate Family Member”**

The spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister, sister-in-law or any other relative who is financially supported.

**B. “Financial Interest”**

A person has any 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 the School has a transaction or arrangement, or contract;
- 2) A compensation arrangement with the School or with any entity or individual with which the School has a transaction or arrangement, or contract;
- 3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the School is negotiating a transaction, arrangement, or contract.

**C. “Compensation”** includes direct and indirect remuneration, as well as, gifts or favors.

### **3. Procedures; Conflicts of Interest.**

**A. Duty to Disclose.**

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of a financial interest and be given the opportunity to disclose all material facts to the Governing Board.

**B. Determining Whether a Conflict of Interest Exists.**

An inescapable conflict of interest exists for a Governing Board member under the Charter Schools Act when:

- 1) A person serving as a member of a Governing Board of the School or an immediate family member of the person is an owner, agent of, contractor with or otherwise has any financial interest in a for-profit or nonprofit entity with which the School contracts directly, for professional services, goods or facilities.
- 2) A member of a Governing Board or employee, officer or agent of the School has participated or will participate in selecting, awarding or administering a contract with the School. A conflict of interest exists when the member, employee, officer or agent or an immediate family member of the member, employee, officer or agent has any financial interest in the entity with which the School is contracting.
- 3) Any employee, agent or board member of the chartering authority who participates in the initial review, approval, ongoing oversight, evaluation or charter renewal process of a charter school is ineligible to serve on the Governing Board of the charter school chartered by the chartering authority.

**4. Addressing a Conflict of Interest.** Any member of the Governing Board or employee, officer or agent held to have a conflict of interest as outlined in this Policy is prohibited from participating in selecting, awarding or administering the transaction, arrangement or contract with the school and from having or acquiring any financial interest in the transaction, arrangement or contract.

**5. Consequences of Violations of this Conflicts of Interest Policy.** A violation of NMSA 1978, Section 22-8B-5.2 of the Charter Schools Act as outlined in this Policy renders the contract between the person or the person's immediate family member and the School voidable at the option of the chartering authority, the Public Education Department or the Governing Board. A person who knowingly violates this subsection may be individually liable to the charter school for any financial damage caused by the violation.

**6. Conflict of Interest Statements.** Each member of the Governing Board upon joining the Board shall sign a statement which affirms such person has:

- A. Received a copy of the Conflict of Interest Policy;
- B. Read and understood the Policy; and
- C. Agreed to comply with the Policy.

**7. Nepotism Prohibited.** Pursuant to NMSA 1978, Section 22-8B-10:

The head administrator of a charter school shall not initially employ or approve the initial employment in any capacity of a person who is the spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister or sister-in-law of a member of the Governing Board or the head administrator. The Governing Board may waive the nepotism rule for family members of a head administrator.

*Approved by the Coral Community Charter School Governing Council on April 6, 2021..*