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## Conflicts of Interest

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### Purpose and Background

The purpose of the conflict of interest policy is to protect this public Organization's (Nevada State High School) interest when contemplating entering into a transaction or arrangement that might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to governmental, public, nonprofit or charitable organizations.

### Definitions

#### I. Interested Persons

Any director, principal officer, or member of a committee with governing board delegated powers, which has a direct or indirect financial interest, as defined below, is an interested person.

#### II. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family.

- A. An ownership or investment interest in an entity with which the Organization has a transaction or arrangement.
- B. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement.
- C. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under *Determine whether a Conflict of Interest Exists* (see below *Protocols*), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee determines that a conflict of interest exists.

## Protocols

### I. 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 committees with governing board delegated powers considering the proposed transactions or arrangement.

### II. Determine Whether a Conflict of Interest Exists

An interested person shall disclose a potential conflict of interest at governing board or committee meeting. However, after the presentation, it is the ultimate decision of the interested person to abstain, stay, or leave from any and all discussion and/or vote on the transaction or arrangement involving the possible conflict of interest.

### III. Procedures for Addressing the Conflict of Interest

- A. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- B. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
- D. 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 whether the transaction or arrangement is in the Organization'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.

### IV. Violations of the Conflicts of Interest Policy

- A. 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.
- B. 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 using one or all of the following: consulting with the Organization's legal counsel, informing the Organizations authorizing sponsor, or the Nevada Commission on Ethics.

## **Records of Proceedings**

- I. Meeting Minutes Contents with Boards having Delegated Powers
  - 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**

- I. Voting on Matters involving Compensation
  - A. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
  - B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
  - C. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## Periodic Reviews

### I. Consistency with Charitable Purposes

To ensure the Organization 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 with management organizations conform to the Organization'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.

## Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## Annual Certification Statements

- I. Each Interested Person shall annually sign that they have:
  - A. Received a copy of the conflicts of interest policy
  - B. Read and understand the policy
  - C. Agreed to comply with the policy
  - D. Understands the Organization is public charter school entity authorized through a written charter through NRS 388A and in order to maintain its charter must engage primarily in activities, which accomplish its strategic framework, mission, and overall purpose of the school.

I hereby certify that I am an interested party of the organization and affirming with my signature below that I have received a copy of the conflict of interest policy.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signature\_\_\_\_\_

Print Name\_\_\_\_\_, Title\_\_\_\_\_

**References**

Adopted: [3/3/2007], [1/16/2014], 1/15/2009, 1/15/2015, 8/19/2021

Policy Review History: 9/1/2011, 9/1/2014, 9/21/2021, 9/1/2028

Legal Reference: NRS 281A.430