

**RICHLAND ACADEMY OF THE ARTS
CONFLICT OF INTEREST POLICY**

Adopted: November 19, 2015
Revisited

POLICY: CONFLICT OF INTEREST POLICY AND FORM

SUBJECT: ETHICAL AND LEGAL COMPLIANCE

PURPOSE: TO ENSURE RICHLAND ACADEMY OF THE ARTS STAFF AND BOARD MEMBERS UNDERSTAND THE REQUIRMENTS OF OHIO'S ETHICS LAWS REGARDING CONFLICTS OF INTEREST

STATUORY

REQUIREMENT: OHIO REVISED CODE SECTION 102, 2921.42, 2921.421, 3314.02, 2921.43 AND OHIO ADMINISTRATIVE CODE SECTION 3301-102-04 AS ESTABLISHED BY THE OHIO ETHICS COMMISSION.

INTRODUCTION

It is important for RAA board members, directors, and staff to be aware that both real and perceived conflicts of interest sometimes occur in the course of sponsorship, and that the appearance of conflict can be troublesome even if there is, in fact, no conflict whatsoever. Conflicts occur because the many persons associated with RAA should be expected to have, and do in fact generally have multiple interests and affiliations and various positions of responsibility within the community. In these situations a person may at times have roles, responsibilities and loyalty to two or more entities. The purpose of the conflict of interest policy is to protect the RAA's tax-exempt interest and responsibility to the community when it is contemplating sponsorship that might benefit the private interest of an officer or director. The policy is intended to supplement but not replace applicable state and federal laws governing conflict of interest applicable to sponsors, nonprofit and charitable organizations.

Conflicts are undesirable because they actually or potentially place the interests of others ahead of the sponsor's obligation to serve the public interest. Conflicts are also undesirable because they often reflect adversely upon the person involved and upon the institutions with which they are affiliated, regardless of the actual facts or motivations of the

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parties. The long-range best interests of RAA do not require the termination of association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

Each RAA board member and the staff person have a duty of loyalty to RAA and the public interest. The duty of loyalty generally requires all RAA stakeholders to prefer/place the interests of RAA and the public over his own interest or the interests of others. In addition, board members, directors and staff of RAA are expected to avoid acts of self-dealing which may adversely affect the tax-exempt status of RAA or cause there to arise any sanction or penalty by a governmental authority.

Regarding any actual or possible bias or conflict of interest, an interested person must disclose the existence of biases or financial interests which may compromise decision-making. That party will be given the opportunity to disclose all material facts to the RAA director and fellow board members.

DEFINITIONS

Interested Person: Any director, advisory board member, or employee who has a direct or indirect financial interest in a decision.

Financial Interest: A person has a financial interest if the person has directly or indirectly, thorough business, investment, or family:

- An ownership or investment interest in any school with which RAA sponsors or may sponsor.
- A compensation arrangement with the school itself, or with any entity or individual with which the school has a transaction or arrangement, or
- A potential ownership or investment interest in or compensation arrangement with, any entity or individual with which the school is negotiating a transaction or arrangement.

Compensation: Includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a bias or conflict of interest only if the board decides that a bias or conflict of interest exists.

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Duty to Disclose

In connection with any actual or possible bias or conflict of interest, an interested person must disclose the existence of the bias or financial interest and be given the opportunity to disclose all material facts to the RAA director and board considering any proposal before or it will be considered by the board.

Procedures for Addressing the Conflict of Interest

Board members, director and employees with bias or conflicts of interest shall leave the meeting during the discussion of, and the vote on matters regarding sponsorship, probation, suspension, termination and other matters which involves potential bias and/or possible conflict of interest.

Violations of the Conflicts of Interest Policy

If the RAA director or a board member has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, that person shall inform the member and the rest of the board 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 board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Minutes

The record of board proceedings shall contain: the names of the persons who disclosed or otherwise were found to have a bias or financial interest; record of the recusal/abstention/exclusion of that board member from assessments and voting regarding all schools for which bias or financial interest are disclosed or otherwise found.

ANNUAL STATEMENTS

Each director, board member, and staff member with 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 that RAA is a 501C3 entity 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.

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PRACTICE:

Through its policies, procedures, oversight, monitoring and technical assistance Richland Academy of the Arts will:

- Ensure no conflicts of interest in either staffing or funding exist between RAA and the community schools it sponsors.
- Prevent conflicts of interest and assure decision making is transparent and based upon merit through oversight, monitoring, training and technical assistance.
- Structure funding to avoid conflicts of interest, inducements, incentives, or disincentives that might compromise RAA's judgment in the community school approval and accountability decision making.
- Ensure all internal and external reviewers do not have a real or perceived conflict of interest with the applicants they are reviewing.
- Require a formal written conflict of interest statement to be signed by every internal and external reviewer of applicants.
- Remove an internal or external reviewer from evaluating an application if a formal conflict of interest is found.
- Remove an internal or external staff member from evaluating an initial or renewal contract if a formal conflict of interest is found.
- Remove an internal or external staff member from recommending probation, suspension or termination of a community school contract if a formal conflict of interest is found.
- Remove an internal or external staff member from recommending approval or disapproval of any vendor contract if a formal conflict of interest is found.
- Ensure training and technical assistance is provided to internal and external staff regarding conflicts of interest to assure all Richland Academy of the Arts decision making is transparent and based upon merit.
- Require all Board Members, employees and staff members to complete and sign a Conflict of Interest Statement on an annual basis.

NOTE:

- a) This policy does not preclude board members, employees and staff members from transacting business with Richland Academy. It merely requires that such business

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transactions are made known to all to ensure that all policies and procedures are adhered to in order to eliminate preferential treatment of any board member, employees or staff member to the detriment of the operations of Richland Academy.

- b) A current file will be maintained of all questionnaires by the Executive Director or delegated staff member.

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Related Party Questionnaire

1. Have you or any related party of yours had any material interest, direct or indirect, in any transaction since January 1, 1999, to which the Academy or any of its affiliates was, or is to be, a party?

2. Do you or any related party of yours have any material interest, direct or indirect, in any pending or incomplete transaction to which the Academy or any of its affiliates is, or is to be, a party?

3. Have you or any related party of yours been indebted to the Academy or any of its affiliates at any time since January 1 of the prior year? Please exclude amounts due for purchases on usual trade terms and for ordinary travel and expenses advances.

4. Have you or any related party of yours had any material interest, direct or indirect, in any transaction since January 1 of the prior year or in any pending or incomplete transactions, to which any pension, retirement, savings or similar plan provided by the Academy or any of its affiliates was, or is to be, a party? Do not include payments to a plan or payments by the plan made pursuant to the terms of the plan.

5. The Academy is required to disclose the names of related parties, including individuals, if such parties have an ownership or management control relationship with the Academy sufficient to exert significant influence over the Academy management or operating policies which could cause significantly different operating results or financial position of the Academy. If you have such ownership or management control of another entity which could significantly affect the operating results or financial position of the Academy, please indicate the nature of the relationship.

6. Please list all 501 C 3 non-profit boards on which you serve:

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature _____

Date _____