

NEW MEXICO SCHOOL FOR THE ARTS
HIGH SCHOOL

CONFLICT OF INTEREST POLICY

ARTICLE 1
PURPOSE

The New Mexico School for the Arts (the "School"), is a statewide public high school. The purpose of this Amended Conflict of Interest Policy is to protect the interests of the School. The policy addresses the procedures that should be followed if the School is contemplating entering into a transaction or arrangement that might benefit the private interest of a governing board member, officer or committee member or might result in a possible excess benefit transaction. This Amended Conflict of Interest Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to charter schools.

ARTICLE 2
DEFINITIONS

- 2.1 Interested Person. An interested person is any member of the Governing Council, officer, or member of a committee with Council delegated powers who has a direct or indirect financial interest as defined below.
- 2.2 Financial Interest. A person has a 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;
 - (2) A compensation arrangement with the School or with any entity or individual with which the School has a transaction or arrangement; or
 - (3) 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.
- 2.3 Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- 2.4 Conflict of Interest. 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 Council or committee decides that a conflict of interest exists.

ARTICLE 3
PROCEDURES

- 3.1 Duty to Disclose. In connection with any actual or possible conflict of interest,

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an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the members of the Governing Council and members of committees with Council delegated powers considering the proposed transaction or arrangement.

- 3.2 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, the interested person shall leave the meeting of the Board or the committee meeting while the determination of whether a conflict of interest exists is discussed and voted upon. The remaining Council members or committee members shall decide if a conflict of interest exists.
- 3.3 Procedures for Addressing the Conflict of Interest.
 - (1) An interested person may make a presentation at the meeting of the Council or at the committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - (2) The chair of the Council or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or
 - (3) After exercising due diligence, the Council or committee shall determine whether the School 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.
 - (4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the best interest of the School, for its 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.
- 3.4 Violations of the Conflict of Interest Policy. If the Council or committee has reasonable cause to believe that a person has failed to disclose an actual or possible conflict of interest, it shall inform that person of the basis for such belief and give that person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Council or committee determines that the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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ARTICLE 4
RECORDS OF PROCEEDINGS

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

- (1) 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 decision of the board or of the committee as to whether a conflict of interest in fact existed; and
- (2) 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.

ARTICLE 5
PROCUREMENT PROCEDURES

The School shall comply with conflict of interest provisions identified in the New Mexico Procurement Code and federal regulations, such as, Sections 13-1-28 et seq. NMSA and the Prohibited Sales Act, Section 22-21-INMSA 1978; and the federal regulations at 34 CFR 74.42. The Charter School shall develop written procurement procedures and conduct all procurement transactions in a manner that provides open and fair competition. The School shall avoid apparent and actual conflicts of interest when administering grants and entering into contracts for equipment and services.

ARTICLE 6
COMPENSATION

A voting member of the Council who receives compensation for services, directly or indirectly, from the School is precluded from voting on matters pertaining to that person's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation for services, directly or indirectly, from the School is precluded from voting on matters pertaining to that person's compensation. A voting member of the Council or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the School either individually or collectively, is prohibited from providing information to the Council or any committee regarding compensation.

ARTICLE 7
ANNUAL STATEMENTS

Each member of the Council, officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

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Has received a copy of the Amended Conflict of Interest Policy,
Has read and understands the Amended Conflict of Interest Policy, and
Has agreed to Comply with the Amended Conflict of Interest Policy.

ARTICLE 8
PERIODIC REVIEWS

The School each shall conduct periodic reviews to ensure that it operates in a manner consistent with its educational purposes and does not engage in activities that could jeopardize its charter status. The periodic reviews shall, at a minimum, include the following:

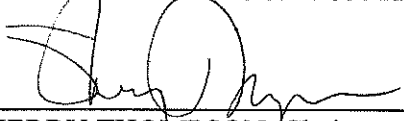
- (1) Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining; and
- (2) Whether partnerships, joint ventures, and arrangements with management organizations conform to written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further educational purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE 9
USE OF OUTSIDE EXPERTS

The School may, but need not, use outside advisors when conducting the periodic reviews as provided for in Article 8. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.


This Conflict of Interest Policy was amended by the Governing Council of the New Mexico School for the Arts, effective February 10, 2016.

NEW MEXICO SCHOOL FOR THE ARTS



SHERRY THOMPSON, Chair
of the Governing Council

ATTEST;



PAULA TACKETT, Secretary
of the Governing Council