

## Code of Ethics and Conflict of Interest Policy - *Approved 9/13/2016*

The public purpose, not-for-profit and tax-exempt status of charitable organizations imposes a special obligation to maintain the public trust. The Board of Trustees (the “Board”), senior staff, key employees and employees of Brilla College Preparatory Charter Schools (“Brilla College Prep”) or its school (the “school”) must conduct their affairs in the best interests of the corporation; avoid conflict, or the appearance of conflict, between their personal interests and those of Brilla College Prep, ensure that they do not receive improper personal benefit from their positions and follow applicable law.

Accordingly, the Board has adopted the following procedures and conflict of interest policy to govern Brilla College Prep’s decision-making processes. Moreover, except as set forth below, Board Members, experts, advisors, and Brilla College Prep employees of any level are subject to the policies set forth below.

- Trustees, officers, or employees of any external organization shall hold no more than 40 percent of the total seats comprising the Board with the exception of affiliation with another charter school.
- Trustees shall make all appropriate financial disclosures whenever a grievance of conflict of interest is lodged against them.
- Trustees, officers, and employees may never ask a subordinate, a student, or a parent of a student to work on or give to any political campaign.
- Trustees, officers, and employees will exercise the highest degree of care not to disclose confidential information including, but not limited to:
  - Student records;
  - Financial information;
  - Personnel records; and,
  - Payroll records.
- Trustees, officers, and employees will observe rules of behavior and conduct. Unacceptable conduct includes, but is not limited to:
  - Theft or inappropriate removal or possession of property;
  - Falsification of documents;
  - Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace or while on duty;
  - Use of tobacco or tobacco products on school grounds;
  - Insubordination;
  - Violation of safety or health rules;
  - Sexual or other unlawful or unwelcome harassment; and,
  - Excessive absenteeism.

### **Conflict of Interest Procedures and Definitions**

1. Conflict of Interest: no trustee, officer or employee may have an interest, direct or indirect, in any contract with the school, when such officer or employee, individually or as a member of the Board, has the power or duty to
  - a. negotiate, prepare, authorize or approve the contract, or authorize or approve payment under the contract,
  - b. audit bills or claims under the contract, or
  - c. appoint an officer or employee who has any of the powers or duties set forth above.

The term “interest” means a pecuniary or material benefit accruing to a trustee, officer or employee as the result of a contract with the school. A trustee, officer or employee shall be deemed to have an interest in the contract of (a) his [or her] spouse, minor children and dependents, except a contract of employment with the school, (b) a firm, partnership or association of which such trustee, officer or employee is a member or employee, (c) a corporation of which such trustee, officer or employee is an officer, director or employee and (d) a corporation any stock of which is owned or controlled directly or indirectly by such trustee, officer or employee.

2. The Board Treasurer may not have an interest, direct or indirect, in a bank or trust company designated as a depository or paying agent or for investment of funds of NYCACS. This, however, does not preclude payment of lawful compensation and necessary expenses of a school officer or employee in one or more public offices or positions of employment, the holding of which is not prohibited by law.
3. In accordance with the General Municipal Law, its prohibitions on conflict of interest do NOT apply to:
  - a. The designation of a bank or trust company as a depository, paying agent, registration agent or for investment of funds except when the chief fiscal officer, Treasurer, or his/her deputy or employee, has an interest in such bank or trust company; provided, however, that where designation of a bank or trust company outside the municipality would be required because of the foregoing restriction, a bank or trust company within the municipality may nevertheless be so designated;
  - b. A contract with a person, firm, corporation or association in which a trustee, officer or employee has an interest which is prohibited solely by reason of employment as a trustee, officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract and the duties of such employment do not directly involve the procurement, preparation or performance of any part of such contract;
  - c. The designation of a newspaper including, but not limited to, an official newspaper, for the publication of any notice, resolution, ordinance or other proceeding where such publication is required or authorized by law;

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- d. The purchase by the Board of real property or an interest therein, provided the purchase and the consideration therefore is approved by order of the supreme court upon petition of the Board;
  - e. The acquisition of real property or an interest therein, through condemnation proceedings according to law;
  - f. A contract with a membership corporation or other voluntary non-profit corporation or association;
  - g. The sale of lands and notes pursuant to section 60.10 of the Local Finance Law;
  - h. A contract in which a trustee, officer or employee has an interest if such contract was entered into prior to the time he/she was elected or appointed as such trustee, officer or employee, but this does not authorize a renewal of any such contract;
  - i. Employment of a licensed physician as school physician upon authorization by a two-thirds vote of the Board;
  - j. A contract with a corporation in which a trustee, officer or employee has an interest by reason of stockholdings when less than five (5) percent of the outstanding stock of the corporation is owned or controlled directly or indirectly by such trustee, officer or employee;
  - k. A contract for the furnishing of public utility services when the rates or charges therefore are fixed or regulated by the public service commission;
  - l. A contract for the payment of a reasonable rental of a room or rooms owned or leased by a trustee, officer or employee when the same are used in the performance of his/her official duties and are so designated as an office;
  - m. A contract for the payment of a portion of the compensation of a private employee of a trustee, officer when such employee performs part-time service in the official duties of the office;
  - n. A contract in which a trustee, officer or employee has an interest if the total consideration payable thereunder, when added to the aggregate amount of all consideration payable under contracts in which such person had an interest during the fiscal year, does not exceed the sum of seven hundred and fifty dollars (\$750); or,
  - o. A contract with a member of private industry council established in accordance with the federal job training partnership act or any firm, corporation or association in which such member holds an interest, provided the member discloses such interest to the council and the member does not vote on the contract.
4. Disclosure of interest in matters before the Board:
- a. Any trustee, officer or employee, whether paid or unpaid, who has, will have, or later acquires an interest in—or whose spouse has, will have, or later acquires an interest in any actual or proposed contract, purchase agreement, lease agreement or other agreement, including oral agreements, with Brilla College Prep, of which he or she is a trustee, officer or employee, shall publicly disclose the nature and extent of such interest

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in writing to his or her immediate supervisor and to the Board as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be made part of and set forth in the minutes of the Board.

- b. Disclosure may be to the Board Audit Committee, or to the Board.
  - c. The conflicted trustee, officer or employee may not be present at or participate in the Board or committee deliberation or vote on the matter giving rise to such conflict; provided that nothing shall prohibit the Board or a committee from requesting that the person with the conflict of interest present information as background or answer questions at a committee or Board meeting prior to the commencement of deliberations or voting relating thereto.
  - d. The conflicted officer or employee may not attempt to improperly influence the deliberation or voting on the matter giving rise to such conflict.
  - e. The existence and resolution of the conflict must be documented in Brilla College Prep's records including in the minutes of any meeting at which the conflict was discussed or voted upon.
5. Related party transactions. Related party transactions are defined as any transaction, agreement or other arrangement in which the related party has a financial interest and Brilla College Prep or an affiliate is a participant. All related party transactions are prohibited unless the Board determines the transaction to be fair, reasonable and in Brilla College Prep's best interest at the time of the decision. Any officer or employee who has an interest in a related party transaction shall disclose in good faith to the Board, or an authorized committee thereof, the material facts concerning such interest. Where the transaction involves a charitable organization and the related party has a financial interest, the Board or committee must:
- a. consider alternative transactions prior to entering the transaction;
  - b. approve the transaction by majority vote of those present; and,
  - c. document the basis for approval and considered alternatives contemporaneous with the final decision.
6. Any contract willfully entered into by or with Brilla College Prep in which there is a prohibited interest is void and unenforceable. In addition, any trustee, officer or employee who willfully and knowingly violates the foregoing provisions shall be guilty of a misdemeanor.

Brilla College Prep acknowledges that competitive bidding does not cure the prohibition against having any interest in a contract when the Trustee, officer or the employee has the power to approve the contract.

7. No trustee, officer or employee shall accept or solicit gifts or payments for expenses associated with Brilla College Prep-related travel, meals, or other professional activity from actual or potential suppliers of Brilla College Prep. No person listed in the previous sentence shall receive or solicit a gratuitous payment or article of monetary value worth seventy-five dollars (\$75) or more, or gifts from the same source having a cumulative value of \$75 or more over a twelve-

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month period, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, if it could reasonably be inferred that the gift was intended to influence him or her in the performance of his or her official duties or was intended as a reward for any official action on his or her part except (a) gifts presented to Brilla College Prep where the recipient is representing Brilla College Prep and thereafter presents the gift to Brilla College Prep, or (b) gifts that are motivated solely by a family or personal relationship, but are in no way connected with the recipient's official Brilla College Prep duties. In general, a recipient should make every effort to decline to accept gifts on behalf of Brilla College Prep, but, in cases where it would be considered ungracious to do so, should make clear that the gift is being accepted on behalf of, and will be given to, Brilla College Prep.

### 8. Additional Conflict of Interest Provisions for all Trustees, Officers and Employees

- a. The conflict of interest provisions of the New York General Municipal Law are applicable to charter schools to the same extent those provisions (Gen. Municipal Law §§800-804, 804-a, 805, 805-a, 805-b, 806) are applicable to school districts. All trustees, officers and employees shall comply with such laws.
- b. No trustee, officer or employee shall:
  - i. Disclose confidential information acquired by him or her in the course of his or her official duties or use such information to further his or her personal interests;
  - ii. Receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Board, school or committee of either, or any school agency or committee over which he or she has jurisdiction or to which he or she has the power to appoint any member, officer or employee; and,
  - iii. Receive, or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before the Board, school or committee of either, whereby his or her compensation is to be dependent or contingent upon any action by such Board, school or committee of either with respect to such matter, provided that this paragraph shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.
  - iv. Invest or hold any investment directly in any financial, business, commercial or other private transaction that creates a conflict with his or her official duties.
  - v. Engage in, solicit, negotiate for or promise to accept private employment when that employment or service creates a conflict with or impairs the proper discharge of his or her official duties.
  - vi. After the termination of service or employment with the Board or school, appear before the Board, school or any panel or committee of either, in relation to any case, proceeding, or application in which he or she personally participated during the period of his or her service or employment or that was under his or her active consideration.

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This shall not bar or prevent the timely filing by a present or former officer or employee of any claim, account, demand or suit against the corporation on his or her own behalf or on behalf of any member of his or her family arising out of any personal injury or property damage or for any lawful benefit authorized or permitted by law.

- vii. Accept future employment that creates a conflict of interest with his or her current duties or obligations to the Board or school.
- c. Trustees, officers and employees must act in the best interest of the corporation and may not have an interest in a for-profit contract with the corporation.

### Distribution of Code of Ethics

All trustees, officers, and employees of the school will be given a copy of the code of ethics upon their employment or association with the school, and whenever material amendments are approved by the Board.

### Penalties

In addition to any penalty contained in any other provision of law, any person who shall knowingly and intentionally violate any of the provisions of the Board's code of ethics may be fined, suspended or removed from office or employment, as the case may be, in the manner provided by law.