

**STATE CHARTER SCHOOLS COMMISSION OF GEORGIA  
CONFLICT OF INTEREST POLICY**

**Article I  
Purpose**

The purpose of the conflict of interest policy is to protect the State Charter Schools Commission of Georgia (the “Commission”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or member of the Commission or 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 government, nonprofit, and charitable organizations.

**Article II  
Definitions**

**1. Interested Person**

Any Commission member, principal officer, or member of a committee with Commission-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**2. 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 any entity with which the Commission has a transaction or arrangement,
- b. A compensation arrangement with the Commission or with any entity or individual with which the Commission has a transaction or arrangement,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Commission is negotiating a transaction or arrangement,
- d. A prior compensation arrangement with any entity or individual with which the Commission is negotiating a transaction or arrangement, or
- e. A direct or indirect interest in the creation of a particular charter school, including but not limited to interest in potential employment, enrollment of a family member, and/or other intangible benefits realized through the creation of the charter school.

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. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Commission or appropriate committee decides that a conflict of interest exists.

**Article III**  
**Procedures**

**1 Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest in a public Commission meeting and be given the opportunity to disclose all material facts to the Commission and members of committees with Commission-delegated powers considering the proposed transaction or arrangement.

**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, he/she shall leave the Commission or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Commissioners or committee members shall decide if a conflict of interest exists. However, should the potentially interested Commissioner decide to follow the voluntary recusal procedure detailed below, a determination of whether a conflict of interest truly exists is unnecessary and may be waived.

**3. Procedures for Addressing the Conflict of Interest**

a. A potentially interested person may make a presentation at a Commission meeting disclosing the potential conflict of interest and opt to voluntarily recuse him or herself from any discussion and/or subsequent Commission vote regarding the subject of the potential conflict of interest. Such action would eliminate the need for the Commission to further address whether a conflict of interest truly exists. This procedure is unavailable to address potential conflicts of interest regarding transactions and/or compensation arrangements with interested Commissioners who are proffering their outside services or products for use by the Commission.

b. An interested person may make a presentation at the Commission 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.

c. The chairperson of the Commission or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

d. After exercising due diligence, the Commission or committee shall determine whether the Commission 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.

e. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Commission or committee shall determine by a majority vote of the disinterested Commissioners

whether the transaction or arrangement is in the Commission'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.

#### **4 Violations of the Conflicts of Interest Policy**

a. If the Commission 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 Commission or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Disciplinary and corrective action may include censure and referral of the matter to outside authority for additional action.

#### **Article IV** **Records of Proceedings**

The minutes of the Commission and all committees with Commission-delegated powers shall contain:

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 Commission'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.

#### **Article V** **Annual Statements**

Each Commissioner, principal officer, and member of a committee with Commission-delegated powers shall receive a copy of this policy on an annual basis and affirm that such persons:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy, and
- c. Has agreed to comply with the policy.

**Article VI**  
**Periodic Reviews**

To ensure the Commission operates in a manner consistent with its legislative purposes and does not engage in illicit or improper activities, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether any compensation arrangements and benefits provided to members of the Commission for their outside services determined not to be a conflict of interest by the Commission following the procedures above 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 Commission's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further legislative purposes and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

**Article VII**  
**Use of Outside Experts**

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

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