

STEM SCHOOL HIGHLANDS RANCH POLICY
Board Conflict of Interest

I. PURPOSE

The purpose of the conflict of interest policy is to protect the interest of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation 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 nonprofit or governmental organizations.

II. POLICY

Definitions.

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

(b) Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(c) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(d) A financial interest is not necessarily a conflict of interest. Under Procedures (b), a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

Procedures.

(a) 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 transaction or arrangement.

(b) 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 shall leave the board of directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest: (i) An interested person may make a presentation at the board or committee meeting, but after the presentation, he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the

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possible conflict of interest. (ii) The chairman of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. (iii) After exercising due diligence, the board or committee shall determine whether the Corporation 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. (iv) 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 directors whether the transaction or arrangement is in the Corporation'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.

(d) Violations of the Conflicts of Interest Policy: (i) If the 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. (ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the 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.

Records of Proceedings.

The minutes of the board of directors and all committees with board 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 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.

(a) A voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation 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 Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

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Annual Statements.

Each director, principal officer and member of a committee with governing 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 the Corporation is educational and/or charitable 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.

Periodic Reviews.

To ensure the Corporation 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 Corporation'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 this policy, the Corporation 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.

Approved by the STEM School Board on 10/01/2023.
(dd/mm/yyyy)

STEM School Highlands Ranch

By: Michelle Horne (*signature on file*)
(Signature, Board secretary)

Michelle Horne
(Printed name, Board secretary)

Adopted: 2018

Revised: January 2023

DCSD Charter Board Conflict of Interest Form

STEM School Highlands Ranch Charter School Board

Due September 1 of each year

Note: The purpose of this document is to provide disclosure of any potential conflicts of interest by charter school board members. The Charter School Board operates according to its own Bylaws and applicable law in regard to conflicts of interest. However, this form is a public document and will be available at the School for inspection by other board members, the staff, or the community. In addition, a copy of the form will be uploaded into the School's online file cabinet maintained by the district.

Background

1. Board member name:

2. I affirm that I am at least 18 years of age by the date of appointment to the School Board.

• Yes, I affirm.

3. Indicate whether you have ever been convicted or pled "no contest" of one or more of the following: a. a misdemeanor related to honesty or trustworthiness, or b. a felony.

• No • Yes If the answer to this question is yes, please provide details of the offense, the date, disposition, etc., in an attachment.

4. Indicate if you have ever entered into a settlement agreement, consent decree, adjournment in contemplation of dismissal, assurance of discontinuance or other, similar agreement with the Securities Exchange Commission, Internal Revenue Service, the U.S. attorney general or the attorney general of any state, a U.S. or District attorney or any other law enforcement or regulatory body concerning the discharge of your duties as a board member of a for-profit or non-for profit entity or as an executive of such entity. If the answer to this question is yes, please provide details of the agreement.

• No • Yes

Conflicts

1. Indicate whether you, your spouse, or anyone in your immediate family meets either of the following conditions:

a. is doing or plans to do business with the School (whether as an individual or as a director, officer, employee or agent of any entity).

b. any entity in which one of the above-identified individuals has an interest in doing business or plans to do business with the School. If so, indicate and describe the precise nature of your relationship and the nature of the business that such person or entity is transacting or will be transacting with the School in an attachment.

Note: in accordance with C.R.S. §7-128-501 (5), an immediate family member is a spouse, descendant, ancestor, sibling, spouse or descendant of a sibling, or a designated beneficiary

• Not applicable • Yes

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2. Indicate if you, your spouse or other immediate family members anticipate conducting, or are conducting, any business with a contractor who is conducting business with the School. If so, please indicate the precise nature of the relationship with the contractor and the business that is being or will be conducted.

• Not applicable • Yes

3. Indicate any potential ethical or legal conflicts of interest that might exist for you as a member of the School Board or another School or non-profit board.

Note: being a parent of a School student, serving on another charter School's board or being employed by the School may present potential conflicts for certain issues.

• None • Yes:

Please specify Disclosures for Schools Contracting with an Educational Service Provider

Indicate whether you, your spouse, or any immediate family member has a personal or professional relationship with any employees, officers, owners, directors or agents of that provider. If the answer is in the affirmative, describe any such relationship.

• Not applicable • Yes

Conflicts for Schools Contracting with an Educational Service Provider

1. Indicate whether you, your spouse or other immediate family members have, anticipate in the future, or have been offered a direct or indirect ownership, employment, contractual or management interest in the provider. For any interest indicated, please provide a detailed description.

• Not applicable • Yes

2. Indicate if you, your spouse or other immediate family member anticipate conducting, or are conducting, any business with the provider. If so, indicate the precise nature of the business that is being or will be conducted.

• Not applicable • Yes

I affirm that I have read the charter school's Bylaws and conflict of interest policies.

I, _____, certify to the best of my knowledge and ability that the information I am providing to Douglas County School District in regard to my service as a member of the board of directors of the Charter School is true and correct in every respect.

Signature

Date