This policy is enacted to ensure compliance with M.S. 471.87, and to engage in school business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

Board of Trustees

The Board will contract under the statutory exception provisions only when it is clearly in the best interest of the School because of limitations that may exist on goods or services otherwise available to the School.

Section 1. General Prohibitions and Recognized Statutory Exceptions

A. A Board member who is authorized to take part in any manner in making any sale, lease, or contract in his or her official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially wherefrom.

B. In the following circumstances, however, the school board may, as an exception, by unanimous vote, contract for goods or services with a Board member of the School:

   i. In the designation of a bank or savings association, in which a Board member is interested, as an authorized depository for school funds and as a source of borrowing, provided such deposited funds are protected in accordance with Minn. Stat. Ch. 118A. Any Board member having said interest shall disclose that interest and the interest shall be entered upon the minutes of the Board. Disclosure must be made when such bank or savings association is first designated as a depository or source of borrowing, or when such Board member is elected, whichever is later. Disclosure serves as notice of the interest and must only be made once;

   ii. The designation of an official newspaper, or publication of official matters therein, in which the school board member is interested when it is the only newspaper complying with statutory requirements relating to the designation or publication;

   iii. A contract with a cooperative association of which the Board member is a shareholder or stockholder but not an officer or manager;

   iv. A contract for which competitive bids are not required by law. A contract made under this exception will be void unless the following procedures are observed:

      a. The Board must authorize the contract in advance of its performance by adopting a resolution setting out the essential facts and determining that the contract price is as low as or lower than the price at which the goods or services could be obtained elsewhere.

      b. In the case of an emergency when the contract cannot be authorized in advance, payment of the claims must be authorized by a like resolution wherein the facts of the emergency are also stated.

      c. Before a claim is paid, the interested Board member must file with the Secretary of the Board of Trustees an affidavit stating:

         1. The name of the school board member and the office held;
         2. An itemization of the goods or services furnished;
         3. The contract price;
         4. The reasonable value;
         5. The interest of the school board member in the contract; and
         6. That to the best of the school board member’s knowledge and belief, the contract price is as low as, or lower than, the price at which the goods or services could be obtained from other sources.

   v. A Board member may rent space in a public facility at a rate commensurate with that paid by other members of the public.
Section 2. Limitations of Related Employees

A. The Board can hire or dismiss teachers only at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher may be made or authorized except upon the unanimous vote of the full Board.

B. The Board may not employ any teacher related by blood or marriage to a Board member, within the fourth degree as computed by the civil law, except by a unanimous vote of the full Board.

Section 3. Conflicts Prior to Taking Office

A Board member with personal financial interest in a sale, lease, or contract with the School which was entered before the Board member took office and presents an actual or potential conflict of interest, shall immediately notify the Board of such interest. It shall thereafter be the responsibility of the Board member to refrain from participating in any action relating to the sale, lease, or contract. At the time of renewal of any such sale, lease, or contract, the Board may enter into or renew such sale, lease, or contract only if it falls within one of the enumerated exceptions for contracts relating to goods or services provided above and if the procedures provided in this policy are followed.

Section 4. Determination as to Whether a Conflict of Interest Exists

The determination as to whether a conflict of interest exists is to be made by the Board. Any Board member who has an actual or potential conflict shall notify the Board of such conflict immediately. The Board member shall thereafter cooperate with the Board as necessary for the Board to make its determination.

Outside Employment for employees of Sejong Academy of Minnesota

The purpose of this policy is to provide employees with guidance concerning their engaging in employment outside Sejong Academy of Minnesota and activities that create or give the appearance of creating a conflict of interest with their employment with the School. Sejong Academy of Minnesota expects its employees to appropriately complete their professional responsibilities and duties with the School. The Board expects that its employees will not engage in any activity or employment that conflicts with or creates the appearance of conflict with the School.

Section 5. Outside Employment and Conflict of Interest Standards and Procedures

A. Employees’ outside employment must not interfere with the proper performance of professional responsibilities, negatively impact their attendance, or reflect adversely on the School.

B. Employees must not engage in employment that would result in the release, either intentionally or unintentionally, of confidential information.

C. Definitions
   i. “Family member” means any blood relative through the second degree and any person living in the same household.
   ii. “Own or “substantial personal interest” means holding an equity interest equal to more than five percent of an individual’s net worth or more than five percent of the ownership of the business or outside organization.
D. Employees and their family members must not engage in or have financial interest in any activity that creates a conflict of interest with their job duties and responsibilities. This includes:
   i. Participating for financial compensation in outside activities where their employment with the School is used to sell goods or services to students or their parents;
   ii. Engaging in any type of work where the source of information concerning the customer, client or employer originates from information obtained through the School;
   iii. Using personal employment with the School, School materials or School facilities to promote outside activities which result, or may result, in personal financial gain or advantage;
   iv. Using duty hours, School equipment or facilities to promote any out-of-school activity resulting in personal financial gain without the authorization of the School;
   v. Owning a business or organization that does business with the School;
   vi. Rendering services as a director, officer, employee of, contractor or consultant to an organization that does business with the School or is in the business of providing for-profit educational services, without the written authorization of the Board; and
   vii. Representing the School in a transaction that the employee or the employee’s family member has a substantial personal interest.

E. For the protection of both the School and its employees, employees must make timely disclosure of any potential conflict of interest. Employees must exercise good judgment when engaging in employment outside the School. All disclosures made in compliance with this policy will be treated as personnel data pursuant to Minnesota Data Practices Act.

F. The responsibility for disclosure of conflicts of interests rests with employees.

G. Employees who work outside the School and whose employment is deemed to be in violation of this policy are subject to discipline. Employees are encouraged to consult with their supervisor prior to being involved in outside employment.