

Appendix 14: Board Conflict of Interest Policy

The Bertha B. Williams Academy Conflict of Interest's policy:

I. PURPOSE

The purpose of this Conflict of Interest Policy (this "Policy") is to protect the interests of a District of Columbia non-profit corporation, when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an Officer or Board of Bertha B. Williams Academy or might result in a possible excess benefit transaction. This Policy is intended to supplement, not replace the requirements of the applicable state and federal laws governing conflict of interest situations with respect to non-profit and charitable organizations.

II. DEFINITIONS

A. Interested Person

Any Director, Officer or member of a committee with powers delegated by the Board of Directors (a "Committee"), and who has a direct or indirect financial interest, as defined below, is an "Interested Person."

B. Disinterested Person

Any person who is not an interested person is a "Disinterested" person.

C. 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 Bertha B. Williams Academy has is proposed to enter into a contract, transaction or other arrangement;
2. A compensation arrangement with Bertha B. Williams Academy or with any entity or individual with which Bertha B. Williams Academy has proposed to enter into a contract, transaction or other arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Bertha B. Williams Academy is negotiating a contract transaction or other arrangement.

Compensation includes gifts and favors that are not insubstantial, as well as any other direct or indirect remuneration. A Financial Interest is not necessarily a conflict of interest. Under Section III.B below, a person who has a Financial Interest may have a conflict of interest, as determined by the Board of Directors or appropriate Committee.

III. PROCEDURES

A. Duty to Disclose

All Boards, Officers and Committee Members must, as soon as possible after learning of the relevant circumstances, disclose the existence of any Financial Interest and all BERTHA B. WILLIAMS ACADEMY related material facts to the Boards and/or Committee Members considering the relevant contract, transaction or other arrangement.

B. Determining Whether a Conflict of Interest Exists

Based upon the disclosure of the Financial Interest and all related material facts, the Boards who are Disinterested Persons shall decide if a conflict of interest exists. The Board, Officer or Committee member with the Financial Interest must leave the meeting during the discussion of and vote regarding the existence of a conflict of interest. If the Board or determines there is no conflict of interest, it will advise the Board, Officer or Committee Member that his/her Financial Interest does not constitute a conflict of interest and permit Bertha B. Williams Academy to proceed with the contract, transaction or other arrangement.

If the Board determines there is a conflict of interest, it will advise the Board, Officer or Committee Member that he/she is an Interested Person with respect to the relevant contract, transaction or other arrangement, and will follow the procedures set out below for addressing the conflict of interest. No contract, transaction or other arrangement involving a conflict of interest may be entered into by Bertha B. Williams Academy except in accordance with the following procedures.

C. Procedures for Addressing the Conflict of Interest

1. An Interested Person may make a presentation to the Board or Committee meeting reviewing the matter, but he/she must leave the meeting during the discussion of and vote on the relevant contract, transaction or other arrangement.
2. The Chair of the Board or Committee, or if the Chair has a Financial Interest, the Board or Committee as a whole, shall, if appropriate, appoint a Disinterested Person or committee to investigate alternatives to the relevant contract, transaction or other arrangement.
3. After exercising due diligence, the Board or Committee shall determine whether Bertha B. Williams Academy can obtain with reasonable efforts a more advantageous contract, transaction or other arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous contract, transaction or other arrangement that would not give rise to a conflict of interest is not reasonably possible under circumstances, the Board or Committee shall determine by a majority vote of the Boards or Committee Members who are Disinterested Persons whether the contract, transaction or other arrangement is in Bertha B. Williams Academy's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with that determination, it shall decide whether to enter into the contract, transaction or other arrangement.

D. Violations of the Conflict of Interest Policy

1. If the Board or Committee has reasonable cause to believe a Board, Officer or Committee Member has failed to disclose an actual or possible conflict of interest, the Board or Committee shall inform the individual of the basis for such belief and give him/her an opportunity to explain the alleged failure to disclose.
2. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the individual has failed to disclose an actual or possible conflict of interest, the Board or Committee shall take appropriate disciplinary and corrective action.

IV. RECORDS OF PROCEEDINGS

The minutes of the Board or Committee meeting shall contain:

- A. The names of 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 existed, and the Board'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 contract, transaction or other arrangement; the content of the discussion, including any alternatives to the proposed contract, transaction or other arrangement; and a record of any votes taken in connection with the proceedings.

V. COMPENSATION

A. A voting member of the Board who receives compensation, directly or indirectly, from Bertha B. Williams Academy for services shall not vote on matters pertaining to his/her compensation.

B. A voting member of a Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Bertha B. Williams Academy for services shall not vote on matters pertaining to his/her compensation.

C. Voting members of the Board or of any Committee whose jurisdiction includes compensation matters and who receive compensation, directly or indirectly, from Bertha B. Williams Academy either individually or collectively, may provide information to the Board or any Committee regarding compensation.

VI. ANNUAL STATEMENTS

Each Board, Officer and Committee Member shall annually sign a statement affirming that he/she:

A. Has received a copy of this Conflict of Interest Policy,

B. Has read and understands this Policy,

C. Agrees to comply with this Policy.

D. Understands that Bertha B. Williams Academy is a non-profit corporation and in order to maintain its federal tax exemption must engage primarily in activities that accomplish its tax-exempt purposes.

VII. PERIODIC REVIEWS

To ensure that Bertha B. Williams Academy operates in a manner consistent with its charitable purposes, and does not engage in activities that could jeopardize its tax-exempt status, the Board shall ensure that the following matters, at a minimum, are reviewed periodically:

A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the results of arm's length bargaining.

B. Whether partnerships, joint ventures and arrangements with management organizations conform to Bertha B. Williams Academy's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in:

1. Any impermissible private benefit,

2. Anyone working for Bertha B. Williams Academy receiving a benefit greater than he/she provides in return or

3. Any transaction in which Bertha B. Williams Academy provides an economic benefit, directly or indirectly, to or for the use of any person in a position to exercise substantial influence over Bertha B. Williams Academy's affairs, including any substantial donor, where the value of the economic benefit provided by Bertha B. Williams Academy exceeds the value of the consideration it receives.

VIII. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews provided for in Section VII above, Bertha B. Williams Academy may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board or its responsibility for ensuring periodic reviews are conducted.

Appendix 15: Financial Policies and Procedures

Introduction: The Academy's annual budget is tangible evidence of the Board's commitment toward fulfilling the aims and objectives of the instructional program and providing for the efficient and effective operation of the school. The budget expresses in specific terms the services to be provided, consistent with immediate and long-range goals and resources available and establishes priorities within broad program areas such as basic education, other separately funded programs and support services. Each year a budget shall be prepared for the ensuing fiscal year. The budget shall set forth the complete financial plan of the Academy for the ensuing school year.

Preparation: Prior to presentation of the proposed budget for adoption, the principal shall prepare for the Board's study and consideration appropriate documentation supporting his/her recommendations, which shall be designed to meet the needs of students within the limits of anticipated revenues consistent with reasonable management practices. Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the Board.

Adoption: The Board shall adopt the next school year's budget by July 1.

Budget Implementation: The Board places responsibility with the principal for administering the operating budget, once adopted. All actions of the principal in executing the programs and/or activities as set forth in the adopted operating budget are authorized subject to the following provisions:

1. Expenditure of funds for the employment and assignment of staff meet the legal requirements of the state of Michigan and adopted Board policies;
2. Funds held in reserve accounts for self-insurance and other such contingencies may not be expended unless approved for purposes designated by the Board;
3. Complete listing of expenditures for supplies, materials and services is presented for Board approval;
4. Purchases are made according to the legal requirements of the state of Michigan and adopted Board policy;
5. Funds may be transferred from one budget classification to another subject to such restrictions as may be imposed by the Board;
6. The principal shall be responsible for establishing procedures to authorize and control the payroll operations of the school. The Board may act on behalf of individual staff to deduct a certain amount from the staff member's paycheck and remit an agreed amount to a designee of the staff member. No involuntary deduction