BLUFFVIEW MONTESSORI SCHOOL
POLICY 201 CONFLICT OF INTEREST

I. PURPOSE

Bluffview Montessori School intends to protect its interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of BMS or any "interested person" as defined below. This policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to non-profit and charitable corporations.

II. GENERAL STATEMENT OF POLICY

As a nonprofit school chartered in the State of Minnesota and exempt from taxation under Section 401(c)(3) of the Internal Revenue code, the institution must avoid any conflict of interest or appearance of a conflict of interest between the activities of Bluffview Montessori School (BMS) and the personal interests of any member of the School's Board of Directors (BOD), committees that exercise Board-delegated duties, or members of the school's management team.

III. DEFINITIONS

A. Interested Person
An interested person is any director, officer, member of a committee, or individual with Board-delegated powers who is an employee or agent of or a contractor with a for-profit entity with whom BMS contracts, directly or indirectly, for professional services, goods, or facilities.

B. Financial Interest
1. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family relationships:
   a. An ownership or investment interest in any entity with which Bluffview Montessori School has a transaction or arrangement,
   b. A compensation arrangement with Bluffview or with any entity or individual with which BMS has a transaction or arrangement,
   c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BMS is negotiating a transaction or arrangement.

2. Compensation paid to a teacher employed by BMS who also serves as a member of the Board of Directors is not considered a conflict of interest.

IV. DUTY TO DISCLOSE

A. BMS Annual Disclosure Statement
1. In connection with any actual or possible conflicts of interest, BOD members must disclose associations of for-profit and not-for-profit organizations.
B. Disclosure to the Commissioner
   1. A member of Bluffview Montessori School's Board of Directors as an employee, or agent of, or a contractor with a nonprofit entity with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities, must disclose all potential conflicts to the commissioner.

V. PROHIBITION
   An “Interested Person” as defined in section III, subsection A is prohibited from serving as a member of the BMS BOD.

VI. VIOLATIONS
   A member of BMS who violates the prohibition shall be individually liable to BMS for any damage caused by the violations.

Legal References:
   Charter Law, Chapter 124D.10 Subdivision 4a