

Coral Academy of Science Las Vegas

Conflict of Interest Policy

For Directors, Board Officers, and Members of a Committee or Subcommittee with Board Delegated Powers

ARTICLE I: PURPOSE; NEVADA ETHICAL CODE

1. The purpose of this Board conflict of interest policy (this “*Policy*”) is to protect Coral Academy of Science Las Vegas (“CASLV”)’s integrity, interests, and reputation when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a director, board officer, or board committee (or subcommittee) member of CASLV (any such person, a “*CASLV Governor*”).
2. This policy is intended to supplement, but not replace, any applicable state and federal laws and regulations governing conflicts of interest applicable to charter schools, as well as CASLV’s Charter Agreement and Rules of Governance, as they may be amended from time to time. (In the event of an unavoidable conflict, those laws, regulations, and documents trump this Policy.)

Among other things, the applicable laws include the Nevada Code of Ethical Standards (the “*Nevada Ethical Code*”), codified at NRS 281A.400 *et seq.*, a copy of which (in effect as of the start of the 2018-2019 school year) is attached as Exhibit A to this Policy, and which applies to each CASLV Governor (as a “*Public Officer*”) pursuant to NAC 386.345(7).

ARTICLE II: DEFINITIONS

1. Interested CASLV Governor.

Any CASLV Governor who has a direct or indirect financial interest, as defined below, is an “*Interested CASLV Governor.*”

2. Financial interest.

A person has a relevant “*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 CASLV has a transaction or arrangement,
- b. A compensation arrangement with any entity or individual with which CASLV has a transaction or arrangement,
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CASLV is negotiating (or is reasonably likely to negotiate in the next six months) a transaction or arrangement; or
- d. One of other types of interests listed in NRS 281A.420(1)(a) through (d) of the Nevada Ethical Code.

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. A person who has a financial interest

may have a conflict of interest only if the CASLV Governor or Board decides that a conflict of interest exists, in accordance with this Policy.

3. **Independent Director.**

A director shall be considered “*independent*” for the purposes of this Policy if he or she is not an Interested CASLV Governor.

ARTICLE III: POLICY MATTERS

1. **General Prohibitions.**

Every CASLV Governor shall comply in all material respects with the provisions of NRS 281A.400 of the Nevada Ethical Code, which (paraphrasing, and without amending that statute, nor exhaustively summarizing it) generally prohibits the CASLV Governors from:

- a. accepting gifts which will improperly influence decision making, or using his or her position to gain unjustified privileges or benefits;
- b. participating in negotiations with an entity in which the CASLV Governor has a significant pecuniary interest;
- c. receiving compensation from a private source for the CASLV Governor’s public duties;
- d. using confidentially-obtained information for his or her own pecuniary gain, or suppressing official information to prevent a loss in his or her own pecuniary interests; and
- e. using CASLV time, property, equipment, or facilities for his or her own pecuniary gain.

2. **Duty to Disclose.**

- a. In connection with any actual or possible conflict of interest, an Interested CASLV Governor must timely disclose the existence of the financial interest and be given a reasonable opportunity to disclose all of the material facts to the Board, in accordance with the full paragraph in NRS 281A.420(1) of the Nevada Ethical Code (but subject to the disclosure exceptions in NRS 281A.420(1) of that Code).
- b. For Open Meeting Law purposes, a conflict-of-interest discussion is deemed to be a part of any agenda item in which an actual or potential conflict of interest is raised, even if the conflict-of-interest is not expressly stated in the agenda item and is only raised at the meeting.

3. **Recusal (a/k/a abstention) by Oneself.**

- a. A director shall recuse himself or herself at any time from involvement in any decision or advocacy (but not necessarily the discussion, generally) in which the director believes he or she has or may have a conflict of interest, when recusal is required by NRS 281A.420(3) and (4)(a) of the Nevada Ethical Code. Generally, the test in those statutes is whether the “independence of judgment of a reasonable person in the public officer’s situation would be materially affected” by the financial interest. That is an objective test, based on what a reasonable person would do.
- b. Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through any process for the other CASLV Governors determining whether a conflict of interest exists, but shall first consider the policy statement set forth in NRS

281A.420(4)(b) of the Nevada Ethical Code, which discourages abstention except in “clear cases.”

- c. Upon recusal, the necessary quorum to act upon the matter, and the number of votes necessary to act upon the matter, as fixed by any statute, ordinance or rule, is reduced as though the member abstaining were not a member of the Board, Committee, or Subcommittee. In the event of a tie vote among the remaining CASLV Governors, no approval or denial shall be deemed given (meaning it is as if the Board did not vote).

4. **Recusal by the Remaining CASLV Governors.**

If, after disclosure of the financial interest and all material facts pursuant to Section III(1), and after any discussion with the Interested CASLV Governor, the Interested CASLV Governor has not recused himself or herself, and an Independent CASLV Governor (on the Board, Committee, or Subcommittee, as the case may be) has reasonable concerns about that decision, then:

- the Interested CASLV Governor shall leave the Board meeting; and
- the remaining Independent CASLV Governors shall discuss, decide if a conflict of interest exists, and vote upon recusal.

5. **Eligibility for Contracts.**

Neither CASLV nor any CASLV Governor (nor any entity controlled by a CASLV Governor) shall bid upon, negotiate, or enter into any contract or similar arrangement except in material accordance with NRS 281A.430 of the Nevada Ethical Code, describing in detail under which conditions such contracts or arrangements may and may not be bid upon, negotiated, and entered into.

6. **Additional Matters.**

The Board President, if appropriate, appoint an Independent CASLV Governor or committee to investigate alternatives to a proposed transaction or arrangement. If the Interested CASLV Governor is the Board President, then a majority of the Governance Committee may take these actions.

7. **Violations of the Conflicts of Interest Policy.**

- a. If the Board has reasonable cause to believe a CASLV Governor has failed to disclose actual or possible conflicts of interest, it shall inform the CASLV Governor of the basis for such belief and afford the CASLV Governor an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the CASLV Governor’s response and after making further investigation as warranted by the circumstances, the Board determines that the CASLV Governor has failed to disclose an actual or possible conflict of interest (with a vote of a simple majority of Independent CASLV Governors, excluding the board member in question), it shall take appropriate disciplinary and corrective action.

8. **Amendments to this Policy.**

A majority of the Board as a whole may approve or disapprove of amendments and modifications to this Policy from time to time. Upon any modification being approved, the school shall submit the same to the State Public Charter Schools Authority (“SPCSA”) within five (5) days.

ARTICLE IV: RECORDS OF PROCEEDINGS

The minutes of the Board, committee, and subcommittee shall contain:

1. 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 Interested CASLV Governor or Board's decision as to whether recusal was required.
2. The names of the persons who were present for discussions and votes relating to the relevant 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

1. Each CASLV Governor shall annually sign a statement which affirms that such person:
 - a. Has received a copy of this Policy,
 - b. Has read and understands this Policy, and
 - c. Has agreed to comply with this Policy.
2. If at any time during the year, the information in the annual statement changes materially, the Interested CASLV Governor shall immediately disclose such changes and revise the annual disclosure form.
3. The Governance Committee shall regularly and consistently monitor and enforce compliance with this Policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Exhibit A

Nevada Code of Ethical Standards for Public Officers

(NRS 281A.400 *et seq.*)

NRS 281A.400 General requirements; exceptions. A code of ethical standards is hereby established to govern the conduct of public officers and employees:

1. A public officer or employee shall not seek or accept any gift, service, favor, employment, engagement, emolument or economic opportunity, for the public officer or employee or any person to whom the public officer or employee has a commitment in a private capacity, which would tend improperly to influence a reasonable person in the public officer's or employee's position to depart from the faithful and impartial discharge of the public officer's or employee's public duties.

2. A public officer or employee shall not use the public officer's or employee's position in government to secure or grant unwarranted privileges, preferences, exemptions or advantages for the public officer or employee, any business entity in which the public officer or employee has a significant pecuniary interest or any person to whom the public officer or employee has a commitment in a private capacity. As used in this subsection, "unwarranted" means without justification or adequate reason.

3. A public officer or employee shall not participate as an agent of government in the negotiation or execution of a contract between the government and the public officer or employee, any business entity in which the public officer or employee has a significant pecuniary interest or any person to whom the public officer or employee has a commitment in a private capacity.

4. A public officer or employee shall not accept any salary, retainer, augmentation, expense allowance or other compensation from any private source, for the public officer or employee or any person to whom the public officer or employee has a commitment in a private capacity, for the performance of the public officer's or employee's duties as a public officer or employee.

5. If a public officer or employee acquires, through the public officer's or employee's public duties or relationships, any information which by law or practice is not at the time available to people generally, the public officer or employee shall not use the information to further a significant pecuniary interest of the public officer or employee or any other person or business entity.

6. A public officer or employee shall not suppress any governmental report or other official document because it might tend to affect unfavorably a significant pecuniary interest of the public officer or employee or any person to whom the public officer or employee has a commitment in a private capacity.

7. Except for State Legislators who are subject to the restrictions set forth in subsection 8, a public officer or employee shall not use governmental time, property, equipment or other facility to benefit a significant personal or pecuniary interest of the public officer or employee or any person to whom the public officer or employee has a commitment in a private capacity. This subsection does not prohibit:

(a) A limited use of governmental property, equipment or other facility for personal purposes if:

(1) The public officer or employee who is responsible for and has authority to authorize the use of such property, equipment or other facility has established a policy allowing the use or the use is necessary as a result of emergency circumstances;

(2) The use does not interfere with the performance of the public officer's or employee's public duties;

(3) The cost or value related to the use is nominal; and

(4) The use does not create the appearance of impropriety;

(b) The use of mailing lists, computer data or other information lawfully obtained from a governmental agency which is available to members of the general public for nongovernmental purposes; or

(c) The use of telephones or other means of communication if there is not a special charge for that use.

If a governmental agency incurs a cost as a result of a use that is authorized pursuant to this subsection or would ordinarily charge a member of the general public for the use, the public officer or employee shall promptly reimburse the cost or pay the charge to the governmental agency.

8. [Intentionally omitted]

9. A public officer or employee shall not attempt to benefit a significant personal or pecuniary interest of the public officer or employee or any person to whom the public officer or employee has a commitment in a private capacity through the influence of a subordinate.

10. A public officer or employee shall not seek other employment or contracts for the public officer or employee or any person to whom the public officer or employee has a commitment in a private capacity through the use of the public officer's or employee's official position.

NRS 281A.410 Limitations on representing or counseling private persons before public agencies; request for relief from strict application of certain provisions. In addition to the requirements of the code of ethical standards and the other provisions of this chapter:

1. If a public officer or employee serves in a state agency of the Executive Department or an agency of any county, city or other political subdivision, the public officer or employee:

(a) Shall not accept compensation from any private person to represent or counsel the private person on any issue pending before the agency in which that public officer or employee serves, if the agency makes decisions; and

(b) If the public officer or employee leaves the service of the agency, shall not, for 1 year after leaving the service of the agency, represent or counsel for compensation a private person upon any issue which was under consideration by the agency during the public officer's or employee's service. As used in this paragraph, "issue" includes a case, proceeding, application, contract or determination, but does not include the proposal or consideration of legislative measures or administrative regulations.

2. Except as otherwise provided in subsection 3, a State Legislator or a member of a local legislative body, or a public officer or employee whose public service requires less than half of his or her time, may represent or counsel a private person before an agency in which he or she does not serve.

3. A member of a local legislative body shall not represent or counsel a private person for compensation before another local agency if the territorial jurisdiction of the other local agency includes any part of the county in which the member serves. The Commission may relieve the member from the strict application of the provisions of this subsection if:

(a) The member files a request for an advisory opinion from the Commission pursuant to NRS 281A.675; and

(b) The Commission determines that such relief is not contrary to:

- (1) The best interests of the public;
- (2) The continued ethical integrity of each local agency affected by the matter; and
- (3) The provisions of this chapter.

4. For the purposes of subsection 3, the request for an advisory opinion, the advisory opinion and all meetings, hearings and proceedings of the Commission in such a matter are governed by the provisions of NRS 281A.670 to 281A.690, inclusive.

5. Unless permitted by this section, a public officer or employee shall not represent or counsel a private person for compensation before any state agency of the Executive or Legislative Department.

NRS 281A.420 Requirements regarding disclosure of conflicts of interest and abstention from voting because of certain types of conflicts; effect of abstention on quorum and voting requirements; exceptions.

1. Except as otherwise provided in this section, a public officer or employee shall not approve, disapprove, vote, abstain from voting or otherwise act upon a matter:

- (a) Regarding which the public officer or employee has accepted a gift or loan;
- (b) In which the public officer or employee has a significant pecuniary interest;
- (c) Which would reasonably be affected by the public officer's or employee's commitment in a private capacity to the interests of another person; or
- (d) Which would reasonably be related to the nature of any representation or counseling that the public officer or employee provided to a private person for compensation before another agency within the immediately preceding year, provided such representation or counseling is permitted by NRS 281A.410,

without disclosing information concerning the gift or loan, the significant pecuniary interest, the commitment in a private capacity to the interests of the other person or the nature of the representation or counseling of the private person that is sufficient to inform the public of the potential effect of the action or abstention upon the person who provided the gift or loan, upon the public officer's or employee's significant pecuniary interest, upon the person to whom the public officer or employee has a commitment in a private capacity or upon the private person who was represented or counseled by the public officer or employee. Such a disclosure must be made at the time the matter is considered. If the public officer or employee is a member of a body which makes decisions, the public officer or employee shall make the disclosure in public to the chair and other members of the body. If the public officer or employee is not a member of such a body and holds an appointive office, the public officer or employee shall make the disclosure to the supervisory head of the public officer's or employee's organization or, if the public officer holds an elective office, to the general public in the area from which the public officer is elected.

2. The provisions of subsection 1 do not require a public officer to disclose:

- (a) Any campaign contributions that the public officer reported in a timely manner pursuant to NRS 294A.120 or 294A.125; or

(b) Any contributions to a legal defense fund that the public officer reported in a timely manner pursuant to NRS 294A.286.

3. Except as otherwise provided in this section, in addition to the requirements of subsection 1, a public officer shall not vote upon or advocate the passage or failure of, but may otherwise participate in the consideration of, a matter with respect to which the independence of judgment of a reasonable person in the public officer's situation would be materially affected by:

- (a) The public officer's acceptance of a gift or loan;
- (b) The public officer's significant pecuniary interest; or
- (c) The public officer's commitment in a private capacity to the interests of another person.

4. In interpreting and applying the provisions of subsection 3:

(a) It must be presumed that the independence of judgment of a reasonable person in the public officer's situation would not be materially affected by the public officer's acceptance of a gift or loan, significant pecuniary interest or commitment in a private capacity to the interests of another person where the resulting benefit or detriment accruing to the public officer, or if the public officer has a commitment in a private capacity to the interests of another person, accruing to the other person, is not greater than that accruing to any other member of any general business, profession, occupation or group that is affected by the matter. The presumption set forth in this paragraph does not affect the applicability of the requirements set forth in subsection 1 relating to the duty of the public officer to make a proper disclosure at the time the matter is considered and in the manner required by subsection 1.

(b) The Commission must give appropriate weight and proper deference to the public policy of this State which favors the right of a public officer to perform the duties for which the public officer was elected or appointed and to vote or otherwise act upon a matter, provided the public officer makes a proper disclosure at the time the matter is considered and in the manner required by subsection 1. Because abstention by a public officer disrupts the normal course of representative government and deprives the public and the public officer's constituents of a voice in governmental affairs, the provisions of this section are intended to require abstention only in clear cases where the independence of judgment of a reasonable person in the public officer's situation would be materially affected by the public officer's acceptance of a gift or loan, significant pecuniary interest or commitment in a private capacity to the interests of another person.

5. Except as otherwise provided in NRS 241.0355, if a public officer declares to the body or committee in which the vote is to be taken that the public officer will abstain from voting because of the requirements of this section, the necessary quorum to act upon and the number of votes necessary to act upon the matter, as fixed by any statute, ordinance or rule, is reduced as though the member abstaining were not a member of the body or committee.

6. [Intentionally omitted]

7. [Intentionally omitted]

8. [Intentionally omitted]

NRS 281A.430 Contracts in which public officer or employee has interest prohibited; exceptions; request for relief from strict application of certain provisions.

1. Except as otherwise provided in this section and NRS 218A.970 and 332.800, a public officer or employee shall not bid on or enter into a contract between an agency and any business

entity in which the public officer or employee has a significant pecuniary interest.

2. A member of any board, commission or similar body who is engaged in the profession, occupation or business regulated by such board, commission or body may, in the ordinary course of his or her business, bid on or enter into a contract with an agency, except the board, commission or body on which he or she is a member, if the member has not taken part in developing the contract plans or specifications and the member will not be personally involved in opening, considering or accepting offers.

3. [Intentionally omitted]

4. Except as otherwise provided in subsection 2, 3 or 5, a public officer or employee may bid on or enter into a contract with an agency if:

(a) The contracting process is controlled by the rules of open competitive bidding or the rules of open competitive bidding are not employed as a result of the applicability of NRS 332.112 or 332.148;

(b) The sources of supply are limited;

(c) The public officer or employee has not taken part in developing the contract plans or specifications; and

(d) The public officer or employee will not be personally involved in opening, considering or accepting offers.

If a public officer who is authorized to bid on or enter into a contract with an agency pursuant to this subsection is a member of the governing body of the agency, the public officer, pursuant to the requirements of NRS 281A.420, shall disclose the public officer's interest in the contract and shall not vote on or advocate the approval of the contract.

5. A member of a local legislative body shall not, either individually or through any business entity in which the member has a significant pecuniary interest, sell goods or services to the local agency governed by his or her local legislative body unless:

(a) The member, or the business entity in which the member has a significant pecuniary interest, offers the sole source of supply of the goods or services within the territorial jurisdiction of the local agency governed by his or her local legislative body;

(b) The local legislative body includes in the public notice and agenda for the meeting at which it will consider the purchase of such goods or services a clear and conspicuous statement that it is considering purchasing such goods or services from one of its members, or from a business entity in which the member has a significant pecuniary interest;

(c) At the meeting, the member discloses his or her significant pecuniary interest in the purchase of such goods or services and does not vote upon or advocate the approval of the matter pursuant to the requirements of NRS 281A.420; and

(d) The local legislative body approves the purchase of such goods or services in accordance with all other applicable provisions of law.

6. The Commission may relieve a public officer or employee from the strict application of the provisions of this section if:

(a) The public officer or employee files a request for an advisory opinion from the Commission pursuant to NRS 281A.675; and

(b) The Commission determines that such relief is not contrary to:

- (1) The best interests of the public;
- (2) The continued ethical integrity of each agency affected by the matter; and
- (3) The provisions of this chapter.

7. For the purposes of subsection 6, the request for an advisory opinion, the advisory opinion and all meetings, hearings and proceedings of the Commission in such a matter are governed by the provisions of NRS 281A.670 to 281A.690, inclusive.