

Conflict of Interest Policy

The advisory council, administrators, faculty and all other employees of MCS have an obligation to exercise their authority and to carry out the duties of their respective positions for the sole benefit of the School. They should avoid placing themselves in positions in which their personal interests are, or may be, in conflict with the interests of the School. Where a potential conflict of interest exists, it shall be the responsibility of the person involved or any other person with knowledge to notify the administration of the circumstances resulting in the potential conflict so that the Advisory Council can provide such guidance and take such action as it shall deem appropriate as outlined in the Articles below:

Article I: Potential Conflicts

1. Financial Interest:

The fiduciary obligations imposed on members of the MCS encompass a duty to avoid situations where, without the prior consent of the School, a material personal interest of a MCS community member conflicts or may conflict with their duty to the School. Conflicts of interest are prohibited per se and any considerations of fairness are irrelevant. The only means by which a conflict of interest will be permissible is with the prior informed consent of the School.

- a) Disclose your interest to the other Council Members giving details as to the nature and extent of the interest and the relation of that interest to the affairs of the School as soon as practicable after becoming aware of the interest in the matter. Ownership by the individual directly or indirectly of a material financial interest in any business or firm (i) from which the School obtains goods or services, or (ii) which is a competitor of the School.
- b) Competition by the individual, directly or indirectly, with the School in the purchase or sale of property or any property right or interest.
- c) Representation of the School by the individual in any transaction or activity in which the individual, directly or indirectly, has a material financial interest.
- d) Any other circumstance in which the individual may profit, directly or indirectly, from any action or decision by the School in which he or she participates, or which he or she has knowledge.
- e) All details of the disclosure are recorded in the Minutes of the Advisory Council Meeting. And should it be necessary members with conflicts will be absent from the Meeting while the matter is being considered and refrain from voting (unless a resolution is passed to the contrary)

2. Inside Information

Disclosure or use by the individual of confidential information about the school, its activities or intentions, for the personal profit or advantage of the individual or any member of the MCS community.

3. Conflicting Interests other than Financial:

Representation as director, officer, agent or fiduciary of another company, institution, agency or person in any transaction or activity which involves MCS as an adverse party or with adverse interests. Conflicts of interest exist when employees or volunteers serving on advisory or consultative committees have a direct or indirect financial or personal interest for themselves or family members. The hallmark of our ministry is professionalism. It is important for employees, parents, and volunteers who serve multiple roles (administrator and parent, for example) to differentiate their communication. It is important to separate work time, work email addresses, and work resources from personal interests. It is against our policy for administrators, Council members, or volunteers to be involved in the hiring of their family members or those who might be perceived to have close familial connection. In the event a family member or individual who might be perceived to have a close familial connection is considered a candidate for a position, all individuals who have such connections must recuse themselves from the hiring process. This recusal should be documented in file associated. The documentation of the recusal will be placed in the file of any employees who recuse themselves as well as the file of any individual who is hired where there is a family connection.

4. Gifts and Favors

Acceptance of gifts or favors from any firm or individual which does or seeks to do business with, or is a competitor of, the School under circumstances which imply reasonably that such action is intended to influence the individual in the performance of his or her duties.

No member of the MCS community who directly or indirectly is involved in a potential conflict of interest shall be counted in determining the existence of quorum at any meeting of the Council where the potential conflict is considered, nor shall the trustee vote on any action of the Council regarding that potential conflict.

5. Behavioral Expectations

If a conflict exists in a hiring matter, that person should remove him/herself from the decision. Employees at MCS who are also MCS parents should not expect special treatment. They should expect the same access to their child's teachers as other parents. Employees at MCS should not spend work time on personal/family interests. Employees, parents, volunteers, and Advisory Board members should be clear in claiming their dual or singular roles when speaking in order to diffuse perception problems. For example, an employee should clarify role such as "speaking as a parent / coach / teacher" and to provide as much separation as possible in decision making situations of councils, committee, or supervisory situations. If employees or advisory council members encounter a matter that crosses over to a personal interest, he/she should remove him/herself from the discussion and meeting area during that time. Caution should be exercised when volunteers work in direct contact with a related staff member to avoid the perception of benefit or influence. Especially when involved in hiring or budgetary matters, employees and advisory council members should be conscientious in avoiding perceived or real conflicts of interest.

Article II: Definitions

1. Interested person -- Any director, principal, officer, or member of a committee with delegated responsibilities, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest -- A person has a 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 MCS has a transaction or arrangement,
 - b) A compensation arrangement with MCS or with any entity or individual with which MCS has a transaction or arrangement, or
 - c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MCS is negotiating a transaction or arrangement.
 - d) Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Article III: Procedures

1. 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 council or administrator.
2. Recusal of Self – Any member 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 the process for determining whether a conflict of interest exists.
3. 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/she shall leave the council or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining members shall decide if a conflict of interest exists.
4. Procedures for Addressing the Conflict of Interest
 - a) An interested person may make a presentation at the council or MCS Committee meeting, but after arrangement involving the possible conflict of interest.
 - b) The president of the Council or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c) After exercising due diligence, the Council or Executive Committee shall determine whether MCS 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.

d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Council or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in MCS'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.

5. Violations of the Conflicts of Interest Policy

a) If the council or Executive 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.

b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the council or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the Council and all committees with council delegated powers 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 Council or Executive Committee's decision as to whether a conflict of interest in fact existed.
2. 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.

Article V – Compensation

1. A voting member of the Council who receives compensation, directly or indirectly, from MCS for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MCS for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Council or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MCS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Statements of Compliance

1. Each council member, principal officer and member of a committee with Council delegated powers shall annually sign a statement which affirms such person:
 - a. Has received a copy of the conflict of interest policy

- b. Has read and understands the policy
 - c. Has agreed to comply with the policy, and
 - d. Understands MCS is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.
2. Each voting member of the Council shall sign a statement that declares whether such person is an independent member.
3. If at any time during their term, the information in the annual statement changes materially, the member shall disclose such changes and revise the annual disclosure form.
4. The MCS Advisory Council will request a disclosure of any new conflicts of interest at the beginning of each meeting.
5. The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing statements and taking such other actions as are necessary for effective oversight.

Article VII – Periodic Reviews

To ensure MCS 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining and disclosure.
2. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to MCS's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Article VIII – Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, MCS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Council of its responsibility for ensuring periodic reviews are conducted.

Annual Conflict of Interest Disclosure Form

Updated March 25, 2015

1. Name: _____ Date: _____

2. Position:

Are you a voting member? Yes No

Are you an Officer? Yes No

Officer position you hold: _____.

3. I affirm the following:

I have received a copy of the MCS Conflict of Interest Policy. _____ (initial)

I have read and understand the policy. _____ (initial)

I agree to comply with the policy. _____ (initial)

I understand that MCS is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____ (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with MCS? Yes No

i. If yes, please describe it: _____

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with MCS? Yes No

i. If yes, please describe it, including when (approximately):

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

5. Are you an independent member, as defined in the Conflict of Interest policy? Yes No

a. If you are not independent, why? _____

I. Director Name: _____
Spouse Name: _____

Children

_____	_____
_____	_____
_____	_____

II. List below all public and/or private companies or partnerships in which any individual listed above in Section I currently has a material financial interest, employment, board membership, or any other direct relationship.

Organization

Family Member

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

III. List below all 501 (c) 3 organizations or sub-divisions of government in which any individual listed above in Section I currently has any direct relationship(s), such as employee, officer, director, fund campaign chair or section leader, or special event planning.

Organization

Family Member

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

(please attach another sheet of paper for more listings)

Member's signature **Date**