



## Conflict of Interest Policy

This conflict of interest policy is designed to help directors, officers and employees of Intrepid College Preparatory (“Intrepid College Prep”) identify situations that present potential conflicts of interest and to provide Intrepid College Prep with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with the procedure prescribed in § 48-58-302 of the Tennessee Nonprofit Corporation Act, governing conflicts of interest for directors of nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those prescribed in the Tennessee Nonprofit Corporation Act, the statute shall control. All capitalized terms are defined in Part II of this policy.

- I. **Conflict of Interest Defined.** For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

A. Outside Interests.

- i. A Contract or Transaction between Intrepid College Prep and a Responsible Person or Family Member.
- ii. A Contract or Transaction between Intrepid College Prep and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

B. Outside Activities.

- i. A Responsible Person competing with Intrepid College Prep in the rendering of services or in any other Contract or Transaction with a third party.
- ii. Responsible Person’s having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with Intrepid College Prep in the

## **Conflict of Interest Policy**

provision of services or in any other Contract or Transaction with a third party.

C. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:

## **Conflict of Interest Policy**

- i. does or is seeking to do business with, or is a competitor of Intrepid College Prep; or
- ii. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from Intrepid College Prep;
- iii. is a charitable organization operating in Tennessee;
- iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of Intrepid College Prep.

### **II. Definitions.**

- A. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
- B. A "Responsible Person" is any person serving as an officer, employee or member of the Board of Directors of Intrepid College Prep.
- C. A "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- D. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- E. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization Intrepid College Prep. The making of a gift to Intrepid College Prep is not a Contract or Transaction.

### **3. Procedures.**

## **Conflict of Interest Policy**

### **A. Disclosure**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the Board of Directors' or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. Responsible Persons who are not members of the Board of Directors of Intrepid College Prep, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect Intrepid College Prep's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

### **B. Voting**

- a. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of Intrepid College Prep has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.

## **Conflict of Interest Policy**

- b. A quorum is present if a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction.
- c. A transaction may not be authorized, approved, or ratified under this section by a single director.

### **C. Approval**

- a. A transaction in which a director or officer of a corporation has a conflict of interest may be approved if:
    - i. The material facts of the transaction and the director's or officer's interests were disclosed or known to the board of directors or a committee consisting entirely of members of the board of directors and the board of directors or such committee authorized, approved, or ratified the transaction.
    - ii. The material facts of the transaction and the director's or officer's interest were disclosed and or known to the members and they authorized, approved or ratified the transaction.
4. **Confidentiality.** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of Intrepid College Prep. Furthermore, a Responsible Person shall not disclose or use information relating to the business of Intrepid College Prep for the personal profit or advantage of the Responsible Person or a Family Member.

### **5. Review of policy.**

- A. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- B. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to Intrepid College Prep. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

## **Conflict of Interest Policy**

- C. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

