

POLICIES PERTAINING TO OUR BOARD OF DIRECTORS

RELATED-PARTY TRANSACTIONS

Related Parties:

Related parties include board members, administrative officials (i.e., school superintendent, director of finance, etc.) and their immediate families. The definition extends also to affiliated entities within or outside the organization.

Interested Transactions:

The charter holder shall comply with Local Government Code, Chapter 171, in the manner provided by the conflict of interest provision described in TAC, Section 100.1131-100.1135. In addition, the following shall be discretely and clearly recorded in the accounting, auditing, budgeting, reporting, and recordkeeping systems for the management and operation of the charter school:

1. financial transactions between the charter school and the non-charter activities of the charter holder;
2. financial transactions between the charter school and an officer or employee of the charter holder or the charter school;
3. financial transactions between the charter school and a member of the governing body of the charter holder or the charter school;
4. financial transactions between the charter school and a management company charged with the managing the finances of a charter school; and
5. financial transactions between the charter school and any other person or entity in a position of influence over the charter holder or the charter school.

A person or entity is in a position of influence over the charter holder or the charter school, within the meaning of 5 above, if:

1. the charter holder or charter school is a subsidiary of, or shares governing body members, officers, or employees with, another organization, and
 - a. the person or entity is a shareholder, partner, administrator, official, or employee of the other organization, or
 - b. the person or entity by any other means participates in the business decisions of the affiliate or parent organization; or
2. a relative of the person is in a position of influence over the charter holder or the charter school within the third degree by consanguinity or affinity, as determined under Government Code.

Disclosure:

The charter holder shall assure that the following information be disclosed for material related party transactions in the financial statements:

1. the nature of the relationship(s);
2. a description of the transactions including transactions to which no amount or nominal amounts were ascribed, and other information considered necessary to understand the effects of the transaction;
3. the dollar amounts of transactions for the period and the effects of any change from that used in the preceding period in the method of establishing terms, and
4. amounts due from or to related parties as of the balance sheet date and, if not apparent, the terms and manner of settlement.

Date Adopted: March 28, 2009