

Attachment 17

PIKE CREEK CHARTER CONFLICT OF INTEREST POLICY

PURPOSE

The purpose of this Conflict of Interest Policy is to protect the interest of Pike Creek Charter (PCC) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, committee member or administrator of PCC. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

DEFINITIONS

I. Interested Person

Any director, principal officer, member of a committee with board-delegated powers, or member of the administration of PCC who has a direct or indirect financial interest, as defined below, is an interested person.

II. 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 PCC has a transaction or arrangement; or
- (b) A compensation arrangement with any entity or individual with which PCC has a transaction or arrangement; or,
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which PCC is negotiating a transaction or arrangement.

III. Compensation

Compensation includes direct and indirect remuneration, including remuneration or salary received as an employee, as well as gifts or favors that are substantial in nature. Other forms of “compensation” include, but are not limited to, deferred compensation, retirement benefits,

bonuses, and fringe benefits (for example, meals, vehicle usage, lodging, loans, entertainment expenses).

IV. Financial Interest Not Necessarily A Conflict of Interest

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 board or board delegated committee decides that a conflict of interest exists.

PROCEDURES

V. Duty To Disclose

In connection with any actual or potential conflict of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the board directors or members of committees with board delegated powers considering the proposed transaction or arrangement.

VI. 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 or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board directors or committee members shall convene an Executive Session of the board or committee meeting to carry out the procedures set forth in Section VII below.

VII. Procedures For Addressing The Conflict Of Interest

- (a) An interested person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting and shall not be present at the Executive Session of the board or committee meeting during the discussion of, and the vote on, the transaction or arrangement that results in the potential conflict of interest.
- (b) The chairperson the board or 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 board or committee shall determine whether PCC can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the best interest of PCC and for its own benefit and whether the transaction is fair and reasonable to PCC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

VIII. Violations Of The Conflicts Of Interest Policy

- (a) If the board or committee has reasonable cause to believe that 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. All such discussions shall be held in an Executive Session.
- (b) If, after hearing the response of the member and making such further investigation as may be warranted under the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

IX. Records Of Proceedings

The minutes of the board and all committees with board delegated powers shall contain:

- (a) 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 board's or committee's decision as to whether a conflict of interest in fact existed.
- (b) 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.

X. Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually complete a Conflict of Interest Questionnaire and sign a statement which affirms such person:

Attachment 17: Code of Ethics and Conflict of Interest Policy

- (a) Has received a copy of PCC' Conflicts of Interest Policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and,
- (d) Understands that PCC is a not for profit organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

XI. Periodic Reviews

To ensure that PCC operates in a manner consistent with its stated 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:

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

Conflict-of-Interest Questionnaire

The following questionnaire must be completed annually by every director, principal officer and member of a committee with governing board delegated powers. Responses to this questionnaire should relate to relationships that occurred from January 1, 2013 to December 31, 2013. Once you have completed this questionnaire, please sign and date in the space provided and return it to:

Chair of PCC' Board of Directions
c/o PCC
34 Rankin Road
Newark, DE 19711
E-mail:

1. Are you an officer of an organization that conducts business or has a relationship with PCC?

Yes _____ No _____

If yes, please define. _____

2. Do you have a family relationship with anyone who has a business relationship with PCC? Family connections include an individual's spouse, parent, child, grandparent, grandchild, great-grandchild, and sibling. The spouses of any children, grandchildren, great-grandchildren, and siblings are considered family relationships as well.

Yes _____ No _____

If yes, please define. _____

3. Have you participated, directly or indirectly, in any employment agreement, compensation relationship, or any other arrangement/investment opportunity with a third-party vendor doing business with PCC that has resulted or could result in personal benefit to you?

Yes _____ No _____

If yes, please define. _____

4. Have you received, directly or indirectly, any salary payments, loans, gifts or fringe benefits of any kind or any free service, discounts, or other fees from any person/organization engaged in any transaction with PCC?

Yes _____ No _____

If yes, please define. _____

Attachment 17: Code of Ethics and Conflict of Interest Policy

5. Do you share ownership of a business that does business with PCC? Ownership means voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

Yes _____ No _____

If yes, please define. _____

6. By signing this questionnaire, I confirm that I have received a copy of PCC' Conflict of Interest Policy and I acknowledge that I have read and understand its content. I agree that I will comply with the requirements contained therein and I fully understand that in order for PCC to maintain its tax exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature _____

Date _____

Print name _____

Conflict Resolution: Problem Resolution & Peer Review Procedures

Pike Creek Charter (PCC) is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open atmosphere in which any problem, complaint, suggestion or question receives a timely response.

PCC strives to ensure fair and consistent treatment of all employees. Administrators, teachers and staff, are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with PCC in a reasonable, business-like manner or for using the problem resolution procedure.

If a situation occurs where employees believe that a condition of employment or a decision affecting them unjust or inequitable, they are encouraged to make use of the following steps. An employee may discontinue the procedure at any step.

For issues related to written discipline, suspension or termination of employment, the employee will proceed to step 3. An employee's failure to comply with the timelines contained herein, absent extenuating circumstances, will render the issue resolved without further recourse.

Problem Resolution Process

1. The employee presents the problem, in writing, to his/her immediate supervisor within ten (10) calendar days after the employee becomes aware or should have become aware of the issue giving rise to the complaint. If the immediate supervisor is unavailable to address the problem or if the employee believes it would be inappropriate to contact the immediate supervisor, the employee may present the problem to the Human Resource Manager.

2. A meeting will be scheduled at which time the employee will be provided the opportunity to discuss his or her issues and concerns. The immediate supervisor and/or the Human Resource Manager will document the discussion. The immediate supervisor and/or Human Resource Manager will provide a written response within ten (10) calendar days from the date of the meeting.

3. If the issue remains unresolved, the employee may present the issue to the Principal for consideration. The issue must be presented to the Principal, in writing, within five (5) calendar day of receipt of the written response. The written response must be attached. The Principal will render a verbal or written decision within five (5) calendar days. The Principal's decisions are final on all issues raised with the exception of written discipline, suspensions from work (without or without pay) and terminations of employment. Employees must present their issues to the Principal (or designee in the Principal's absence) within five (5) calendar days of the issuance of written discipline, suspension or termination.

4. If the issue related to written discipline, suspensions from work (without or without pay) or terminations of employment remains unresolved, the employee may submit an appeal through PCC' Peer Review Process.

Peer Review Process

PCC has established a peer review process through with a peer review panel acts as the final and binding authority on disputes which are brought before it.

What is peer review? Peer review allows employees to have their side of a problem heard by a panel of their peers. Peer review panels are empowered by management to render a final and binding decision that can affirm, reverse or modify written discipline, suspension and/or termination decisions, which fall under the peer review panel's jurisdiction.

The peer review panel has no authority to change PCC policies, pay rates, benefits or work rules. Rather, it is empowered to determine whether an existing policy or procedure was properly and fairly applied in a given situation that resulted in suspension from or termination of employment.

Who is eligible? All regular employees below the manager level are eligible. Because this is a benefit of employment, temporary and contract workers are not eligible to participate.

What does it cover? Peer review addresses the application of PCC policies and practices involved in cases of written discipline, suspensions and terminations. It can in no way change, delete or add to PCC' policies, practices or procedures involving (but not limited to) the following: compensation, performance appraisals, benefits, work rules, harassment, discrimination, other company policies or matters in litigation.

How does it work?

1. If an employee has a complaint concerning written discipline, suspension or termination of employment that has not been satisfactorily addressed by the Principal, within five (5) calendar days of receiving the Principal's decision, he or she may appeal the decision to a peer review panel. All appeals to peer review must be in writing and must state the reason why the employee feels that the discipline, suspension or termination should be rescinded or reduced. Failure to do so will result in rejection of the appeal.

2. Panel composition is as follows:

- a) The panel is comprised of five individuals who are chosen at random from a pool of employees and a separate pool of managers who have completed peer review training. Three members of management and two employees will sit on the panel.
- b) The panel members choose a chairperson before the dispute is heard. The chairperson cannot be a member of management.

Attachment 17.1: Conflict Resolution

- c) A member of the employee's family or a person who is in the employee's direct report cannot serve on the panel hearing the employee's complaint.
- d) Human Resources will convene the panel and will work with the employee to facilitate the presentation to the panel and obtain all appropriate documents for the panel to review. At the meeting of the panel, the Human Resource Manager will assist in making sure both the appealing employee and the panel carry out their respective roles.
- e) Employees selected to serve as panelists should disqualify themselves if they believe they cannot maintain absolute impartiality for any reason. The company can also disqualify a panelist if it believes the panelist cannot maintain impartiality.
- f) If a panelist is disqualified or is unwilling to serve, the employer keeps randomly selecting until the panel is complete.

3. Panel Eligibility:

Eligible panelists are those who have volunteered to participate, have completed one year of continuous service and have completed the peer review panel training program. The sign-up period for those employees who wish to participate will be held once per year. It may be necessary to hold special sign-up periods if the number of available panelists drops below 12. The list shall not exceed 20.

4. Confidentiality:

All matters that come before the panel must be kept in complete confidence. All panelists must refuse to discuss (with those not on the panel) anything related to any matter that comes before the panel. This is a very serious provision of the peer review procedures.

A breach of this provision results in removal of the panelist from the pool of eligible panelists and may result in disciplinary action up to and including termination.

5. Meeting Procedures:

- a) The panel will meet within five working days of the employee's appeal to the panel.
- b) The peer review panel will meet as a group to hear the employee's appeal. At the hearing, the employee will present his or her complaint first. The Principal and/or his designee will then present the information forming the basis of the written discipline, suspension and/or termination of

Attachment 17.1: Conflict Resolution

employment. After both presentations have been given, the panel will determine if further investigation is necessary.

- c) Employees may not be represented by an attorney at the hearing.
- d) Witnesses may be called by the complaining employee, by the Principal or by any member of the panel. A Human Resources representative may provide the peer review panel with other information relevant to the complaint (such as past practice and comparative information).
- e) The panel will render a decision within five (5) working days of the hearing. The panel will deliberate until they reach a majority decision.
- f) A Hearing Result Form will be prepared by the panel chairperson and will be given to the Human Resource Manager. The Human Resource Manager will communicate the panel's decision to the employee and supervisor by letter.
- g) The panel's decision is final and binding upon all parties.

*It is important to remember that not every problem can be resolved to all parties' complete satisfaction. However, through discussion and understanding, employees and management can develop confidence in each other. PCC strives to build such confidence and believes it is important to the operation of an efficient and harmonious work environment.