

4. Charter School Governing Board

- 4.1 The Public Charter School shall at all times be operated by the board of directors of the non-profit corporation in accordance with G.S. 115C-218-et seq. and all other applicable laws and regulations. The majority of board members and 50% or greater of the board officers for a charter school must have their primary residence in NC.
- 4.2 The members of the governing board of the nonprofit shall receive no compensation other than reimbursement of reasonable expenses incurred while fulfilling duties as a member of the board.
- 4.3. The Nonprofit board of directors shall adopt and ensure compliance with a conflict of interest and anti-nepotism policy. This policy shall include, at a minimum, the following provisions:
1. No voting member of the governing board shall be an employee of a for-profit company that provides substantial services to the charter school for a fee.
 2. (a) Prior to employing any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the board of directors in any capacity, such proposed employment or engagement shall be:
 - (i) disclosed to the board of directors and
 - (ii) approved by the board of directors in a duly called open-session meeting.
 - (b) The burden of disclosure of such a conflict of interest shall be on the applicable board member or employee with supervisory authority. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority.
 3. A requirement that a person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with:
 - a. the school's conflict of interest policy established as provided in this subsection; and
 - b. applicable law

4. No teacher or staff member that is immediate family of the chief administrator shall be hired without the board of directors evaluating their credentials, establishing a structure to prevent conflicts of interest, and notifying the Department, with evidence, that this process has occurred.
 5. The requirements of Chapter 55A of the General Statutes related to conflicts of interest.
- 4.4** The Nonprofit shall have ultimate responsibility for employment, management, dismissal and discipline of its employees. In no event shall the governing board delegate or assign its responsibility for fulfilling terms of this charter.
- a. The Nonprofit shall not enter into or terminate an agreement for comprehensive management services without the prior, explicit approval of the SBE.
 - b. The Nonprofit shall comply with all SBE requests regarding the management agreement that are reasonably related to compliance with all provisions of this charter agreement and the charter school statute.

5. Compliance With Other Laws

- 5.1** The Nonprofit shall ensure that the Public Charter School complies with the Federal and State Constitutions and all applicable federal laws and regulations, including, but not limited to, such laws and regulations governing employment, environment, disabilities, civil rights, children with special needs, transportation, and student records.
- 5.2** The Nonprofit shall ensure that its operation of the Public Charter School complies with all applicable health and safety laws and regulations, whether federal, state, or local.
- 5.3** Neither the SBE nor the local board of education assumes the duty to oversee the operations of the Public Charter School except as may otherwise be provided by law or separate contract.
- 5.4** Neither the SBE nor the local board is required to monitor the Public Charter School for compliance with applicable laws and regulations.

6. Tax-Exempt Status

Pursuant to G.S. 115C-218.15(b) the Nonprofit shall obtain federal tax-exempt status no later than twenty-four months from the date the SBE gives final approval of its Application. The loss of federal tax-exempt status shall result in the revocation of the charter.