

BOARD OF DIRECTORS' CONFLICT OF INTEREST

Board members must be able to make decisions objectively. It is a conflict of interest for a Board member to receive district compensation from the school district, unless exempted in this policy, for anything other than reimbursement of actual and necessary expenses, including travel, incurred in the performance of official duties. A board member will not act as an agent for a school textbooks or school supplies, including sports apparel or equipment, in any transaction with a director, officer, or other staff member of the school district during the board member's term of office. It will not be a conflict of interest for board members to receive compensation from the school district for contracts for the purchase goods or services which benefits a board member, or to compensation for part-time or temporary employment which benefits a board member, if the benefit to the board member does not exceed \$2,500 in a fiscal year or if the contracts are made by the board, upon competitive bid in writing, publicly invited and opened.

The conflict of interest provisions does not apply to a contract that is a bond, note or other obligation of a school corporation if the contract is not acquired directly from the school corporation, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract, or to a contract in which a director has an interest solely by reason of employment if the contract was made by a competitive bid, in writing, publicly invited and opened, or if the remuneration for employment will not be directly affected as a result of the contract and duties of employment do not involve any of the preparation or procurement of any part of the contract. The competitive bid section of the conflict of interest provision does not apply to a contract for professional services not customarily competitively bid.

It will also be a conflict of interest for a Board member to engage in any outside employment or activity which is in conflict with the Board member's official duties and responsibilities. In determining whether outside employment or activity of a Board member creates a conflict of interest, situation in which an unacceptable conflict of interest is deemed to exist includes, but is not limited to, any of the following:

- (1) The outside employment or activity involves the use of the school district's time, facilities, equipment and supplies or the use of the school district badge, uniform, business card or other evidence of office to give the Board member or member of the Board member's immediate family an advantage or pecuniary benefit that is not available to other similarly situation members or classes or members of members of the general public. For purposes of this section, a person is not "similarly situated" merely by being related to a Board member.

- (2) The outside employment or activity involves the receipt of, promise of, or acceptance of more or other consideration by Board member of a member of the Board member's immediate family from anyone other than the state or the school district for the
- (3) performance of any act that the Board member would be required or expected to perform as part of the Board member's regular duties or during the hours in which the Board member performs service or work for the school district.
- (4) The outside employment or activity is subject to the official control, inspection, review, audit, or enforcement authority of the Board member, during the performance of the Board member's duties of office or employment.

If the outside employment or activity is employment or activity in (1) or (2) above, the Board member must cease the employment of or activity. If the activity or employment fall under (3), then the Board member must:

- Cease the outside employment or activity; or
- Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. Official action or official duty includes, but is not limited to, participating in any vote, taking affirmative action to influence any vote, determining the facts or law in a contested case or rulemaking proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity.

When procurement is supported by Federal Child Nutrition funds, employees will not participate in the selection, award, or administration of contract if there is a real or apparent conflict of interest in the contract. Contract, for purposes of this paragraph, includes a contract where the employee, employee's immediate family, partner, or a non-school district employer of these individuals is a party to the contract.

It is the responsibility of each Board member to be aware of an actual or potential conflict of interest. It is also the responsibility of each Board member to take the action necessary to eliminate such a conflict of interest. Should a conflict of interest arise, a Board member should not participate in any action relating to the issue from which the conflict arose.

Legal Reference: Iowa Code 55.42
Iowa Code 68B; 71.1; 277.27; 279.7A; 301.28 (2003).

Cross Reference: 201 Board of Directors' Elections
 202.1 Qualifications
 204 Code of Ethics
 216.3 Board of Directors' Member Compensation and Expenses
 217 Gifts to Board of Directors
 401.3 Nepotism