

**Policy Type: Governance Process**

**Board Member Conflict of Interest**

Public office is a trust created by the confidence the electorate reposes in the integrity of local government officials for the common good and for the benefit of the people. A conflict of interest arises when a public officer is unable to devote complete loyalty and singleness of purpose to the general public interest.

It is the intent of this policy to protect the public trust placed in directors of this school district. For purposes of this policy, the Board declares that a conflict of interest is a personal, pecuniary interest that is immediate, definite and demonstrable.

1. A Board member who has a personal or private interest in a matter proposed or pending before the Board shall disclose such interest to the Board, shall not vote on it and shall not attempt to influence the decisions of other Board members in voting on the matter.

However, if a Board member has complied with statutory disclosure requirements by voluntarily notifying the secretary of state of interest in the matter, the member may vote if participation is necessary to obtain a quorum or otherwise enable the Board to act. If a member votes under these circumstances, the member shall state for the record the fact and summary nature of the potential conflict of interest.

The written disclosure to the secretary of state shall list as applicable the amount of the member's financial interest, the purpose and duration of any services rendered, compensation received for services or such other information necessary to describe the interest.

2. The Board considers it a conflict of interest for a Board member to also be employed by the district with the exception of part-time, occasional or seasonal positions, including but not limited to athletic/activities coaches, substitutes in any area and/or temporary positions. Any board member so hired shall be compensated in the same manner as would any other person providing such services. If the Board makes a determination that such employment presents minimal opportunity for a conflict of interest said conflict will be avoided by an abstention of the board member from discussion or action relating directly or indirectly to the Board Member's employment.
3. This policy does not prohibit any employee of Lake County School District from seeking a position on the Board of Education but does prohibit any change in the contract position.
4. The Board shall not enter into any contract with any of its members or with a firm or corporation in which a member has a financial interest unless one or more of the following apply:

- a. The contract is awarded to the lowest responsible bidder based on competitive bidding procedures.
  - b. The merchandise is sold to the highest bidder at a public auction.
  - c. The transaction involves investing or depositing money in a financial institution which is in the business of loaning money or receiving money.
  - d. If, because of geographic restrictions, the district could not otherwise reasonably afford the contract because the additional cost to the district would be greater than 10 percent of the contract with the interested member or if the contract is for services that must be performed within a limited time period and no other contractor can perform the services.
  - e. If the contract is one in which the Board member has disclosed a personal interest and is one on which the member has not voted or has voted as allowed in state law following disclosure to the secretary of state and to the Board.
  - f. Except as described herein, a Board member shall not be a purchaser at any sale or a vendor for any purchase made by the district.
5. A Board member may request an advisory opinion from the secretary of state concerning issues relating to personal conduct and potential conflict of interest.
6. A Board member must avoid conflict of interest with respect to his or her fiduciary responsibility. Accordingly, a Board member may not:
- a. Disclose or use confidential information acquired in the course of official duties to further substantially personal financial interests.
  - b. Accept a gift of substantial value or substantial economic benefit tantamount to a gift of substantial value which would tend to improperly influence a reasonable person in that position or which the Board member knows or should know is primarily for the purpose of a reward for official action taken (The phrase “economic benefit tantamount to a gift of substantial value” includes a loan at a rate of interest substantially lower than the prevailing commercial rate and compensation received for private services rendered at a rate substantially exceeding the fair market value).
  - c. Engage in a substantial financial transaction for private business purposes with a person whom the Board member supervises in the course of official duties.
  - d. Perform an official act which directly and substantially confers an economic benefit on a business or other undertaking in which the Board member has a substantial financial interest or is engaged as a counsel, consultant, representative or agent.
7. It is permissible for a Board member to receive:

- a. Campaign contributions and contributions in kind which are reported in accordance with state law.
  - b. An occasional nonpecuniary gift which is insignificant in value.
  - c. A nonpecuniary award publicly presented by a nonprofit organization in recognition of public service.
  - d. Payment or reimbursement for actual and necessary expenditures for travel and subsistence for attendance at a convention or other meeting at which the Board member is scheduled to participate.
  - e. Reimbursement for or acceptance of an opportunity to participate in a social function or meeting which is not extraordinary when viewed in light of the position.
  - f. Items of perishable or nonpermanent value including but not limited to meals, lodging, travel expenses or tickets to sporting, recreational, educational or cultural events. Tickets to these events may have to be reported in accordance with the public official disclosure law.
  - g. Payment for speeches, appearances or publications reported in accordance with the public office disclosure law.
8. It is not considered a breach of conduct for a Board member to:
- a. Use school facilities and equipment to communicate or correspond with constituents, family members or business associates.
  - b. Accept or receive a benefit as an indirect consequence of transacting school district business.