

CONFLICT OF INTEREST

1. Purpose

This policy shall affirm standards of conduct established to ensure that Board members and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.

2. Definitions

Confidential information shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.

Conflict or **Conflict of interest** shall mean use by a Board member or district employee of the authority of his/her office or employment, or any confidential information received through his/her holding public office or employment, for the private pecuniary benefit of him/herself, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated. The term does not include an action having a de minimis economic impact, or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the Board member or district employee, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated.

De minimis economic impact shall mean an economic consequence which has an insignificant effect.

Honorarium shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de minimis economic impact.

<p>3. Delegation of Responsibility</p> <p>4. Guidelines</p>	<p>Immediate family shall mean a parent, parent-in-law, spouse, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister.</p> <p>Business partner shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.</p> <p>Each employee and Board member shall be responsible to maintain standards of conduct that avoid conflicts of interest. The Board prohibits members of the Board and district employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.</p> <p>All Board members and employees shall be provided with a copy of this policy and acknowledge in writing that they have been made aware of it. Additional training shall be provided to designated individuals.</p> <p><u>Disclosure of Financial Interests</u></p> <p>No Board member shall be allowed to take the oath of office or enter or continue upon his/her duties, nor shall s/he receive compensation from public funds, unless s/he has filed a statement of financial interests as required law.</p> <p>The district solicitor and designated district employees shall file a statement of financial interests as required by law and regulations.</p> <p><u>Standards of Conduct</u></p> <p>The district maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and Board members engaged in the selection, award and administration of contracts.</p> <p>No employee or Board member may participate in the selection, award or administration of a contract supported by a federal award if s/he has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, Board member, any member of his/her immediate family, his/her business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.</p>
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The district shall not enter into any contract with a Board member or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the Board has determined it is in the best interests of the district to do so, and the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the Board member or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.

When advertised formal bidding is not required or used, an open and public process shall include at a minimum:

1. Public notice of the intent to contract for goods or services;
2. A reasonable amount of time for potential contractors to consider whether to offer quotes; and
3. Post-award public disclosure of who made bids or quotes and who was chosen.

Any Board member or employee who in the discharge of his/her official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record.

No public official or public employee shall accept an honorarium.

Board members and employees may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with Board policy.

Improper Influence

No person shall offer or give to a Board member, employee or nominee or candidate for the Board, or a member of his/her immediate family or a business with which s/he is associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Board would be influenced thereby.

No Board member, employee or nominee or candidate for the Board shall solicit or accept anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment, based on any understanding of that Board member, employee or nominee or candidate that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Board would be influenced thereby.

Organizational Conflicts

Organizational conflicts of interest may exist when due to the district's relationship with a subsidiary, affiliated or parent organization that is a candidate for award of a contract in connection with federally funded activities, the district may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization.

In the event of a potential organizational conflict, the potential conflict shall be reviewed by the Superintendent or designee to determine whether it is likely that the district would be unable or appear to be unable to be impartial in making the award. If such a likelihood exists, this shall not disqualify the related organization; however, the following measures shall be applied:

1. The organizational relationship shall be disclosed as part of any notices to potential contractors;
2. Any district employees or officials directly involved in the activities of the related organization are excluded from the selection and award process;
3. A competitive bid, quote or other basis of valuation is considered; and
4. The Board has determined that contracting with the related organization is in the best interests of the program involved.

Reporting

Any perceived conflict of interest that is detected or suspected by any employee or third party shall be reported to the Superintendent. If the Superintendent is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Board President.

Any perceived conflict of interest of a Board member that is detected or suspected by any employee or third party shall be reported to the Board President. If the Board President is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Superintendent, who shall report the incident to the solicitor.

No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.

Investigation

Investigations based on reports of perceived violations of this policy shall comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results.

In the event an investigation determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies.

Disciplinary Actions

If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, the district shall take prompt, corrective action to ensure that such conduct ceases and will not recur. District staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.

Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with Board policies, procedures, applicable collective bargaining agreements and state and federal laws.

References:

Uniform Administrative Requirements for Federal Awards, Title 2, Code of Federal Regulations – 2 CFR Sec. 200.318

Marion CUSD No. 2 Board Policy – 2:100

Board of Education

Board Member Conflict of Interest

No Board of Education member shall: (1) have a beneficial interest directly or indirectly in any contract, work, or business of the District unless permitted by State or federal law; or (2) solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to agreements or contracts with the District. Situations in which the interest is not substantial or the gift is an unsolicited item of nominal value must comply with State law and Board policy 2:105, *Ethics and Gift Ban*.

Board of Education members must annually file a "Statement of Economic Interests" as required by the Illinois Governmental Ethics Act. Each Board of Education member is responsible for filing the statement with the county clerk of the county in which the District's principle office is located by May 1.

It is the intent of the Board Members of this District to make decisions and cast votes that are unbiased and free from the appearance of a conflict of interest. It is not the intent of this policy to prevent the District from contracting with businesses because a Member or the relative of a Member is an employee of that firm. The policy is designed to prevent placing a Member in a position where their interest in the public schools and their interest (or other indirect interest) in the business might conflict and to avoid even the appearances of conflict of interest.

No Member shall have any direct financial interest in a contract with the District nor shall they furnish directly any labor, equipment, or supplies to the district.

No Board Member shall be allowed to vote on any matter that involves the following:

1. Awarding a contract to or paying money, in excess of \$500.00, to any Member, Relative of said Member, or business that is owned by or employs said Member or the relative of said Member.
2. Discipline, Transfer, or any issue involving rate of pay, to a relative of the Member including voting to contract with any class of District employees to which a relative of the Member belongs.
3. Designation of a bank or other financial institution with whom the District shall do business if said Member has an ownership interest of any kind in said financial institution.

In the event a Member has an interest that would preclude them from voting as set forth above, that Member shall declare said interest and refrain from debating or voting upon the question or issue.

In addition, in an effort to maintain the appearance of impartiality and fairness and so as to maintain the appearance of the highest level of ethical conduct in execution of our duty of loyalty and fidelity in conducting the business entrusted to us by the public, no Board Member or member of the Administration shall accept a "gift" from any person or entity with which the District has done business or from any person or entity seeking to do business with the District. "Gift" means any gratuity, favor, discount, entertainment, hospitality, loan forbearance, or other item having monetary value. It includes services as well as gifts of transportation, local travel, lodgings, and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred. Nothing herein shall be construed to prohibit or apply to the acceptance of a legitimate award in honor of meritorious or exceptional services.

For the purpose of this policy, "relative" is defined as follows: Parents, spouse, sibling, children, grandchildren, grandparents, aunts, uncles, niece, nephew, legal guardians, and corresponding in-laws, and steps together with the spouse of any of the aforementioned.

LEGAL REF.: 5 ILCS 420/4A-101, 420/4A-105, 420/4A-106, and 420/4A-107.
50 ILCS 105/3.
105 ILCS 5/10-9.
2 C.F.R. §200.318(c)(1).

CROSS REF.: 2:105 (Ethics and Gift Ban), 4:60 (Purchases and Contracts), 5:120 (Employee
Ethics; Conduct; and Conflict of Interest)

ADOPTED: May 16, 2017