

## Lower Merion School District

Policy No.:	827
Section:	OPERATIONS
Title:	CONFLICT OF INTEREST
Date Adopted:	6/13/16
Reviewed:	9/15/25; 10/9/20

### 827 CONFLICT OF INTEREST

#### 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.

#### 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 employee of the authority of their office or employment, or any confidential information received through their holding public office or employment, for the private pecuniary benefit of themselves, a member of their immediate family or a business with which they or a member of their 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 employee, a member of their immediate family or a business with which they or a member of their immediate family is associated.

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

**Financial interest** shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.

**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.

**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.

## Lower Merion School District

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Title:	CONFLICT OF INTEREST
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**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.

### **Delegation of Responsibility**

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 employees from engaging in conduct that constitutes a perceived or actual conflict of interest as outlined in this policy.

### **Guidelines**

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.

### Disclosure of Financial Interests

No Board member shall be allowed to take the oath of office or enter or continue upon their duties, nor shall they receive compensation from public funds, unless they have filed a statement of financial interests as required by law.

The District solicitor and designated District employees shall file a statement of financial interests as required by law and regulations.

### Standards of Conduct

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.

No employee or Board member may participate in the selection, award or administration of a contract supported by a federal award if they have 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 their immediate family, their business partner, or an organization which employs or

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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.

The District shall not enter into any contract with a Board member or employee, or their spouse or child, or any business in which the person or their 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 their 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 their 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 their immediate family or a business with which they are associated,

## Lower Merion School District

Policy No.:	827
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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

## Lower Merion School District

Policy No.:	827
Section:	OPERATIONS
Title:	CONFLICT OF INTEREST
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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.

The Superintendent or designee shall report in writing to the federal awarding agency or pass-through entity any potential conflict of interest related to a federal award, in accordance with federal awarding agency policy.

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, Administrative Regulations, applicable collective bargaining agreements and state and federal laws.

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### **Cross References:**

Board Policy 005 (Conflict of Interest – Financial Interest)  
Board Policy and Administrative Regulation 244 (Research by Outside Research Entities)  
Board Policy and Administrative Regulation 256 (Student Fundraising under the Auspices of the District)  
Board Policy and Administrative Regulation 322/422/522 (Gifts)  
Board Policy and Administrative Regulation 332/432/532/832 (Reporting of Waste and Wrongdoing – Whistleblower)  
Board Policy and Administrative Regulation 356/456/556 (Crowdfunding)  
Board Policy and Administrative Regulation 357/457/557 (Outside Employment and Business Interests)  
Board Policy and Administrative Regulation 460 (Tutoring for a Fee)  
Board Policy and Administrative Regulation 555 (Private Coaching/Training of Students by District Coaches)

### **Legal References:**

State Ethics Commission Regulations – 51 PA Code Sec. 15.2  
Public Official and Employee Ethics Act – 65 Pa. C.S.A. Sec. 1101 et seq.  
Uniform Administrative Requirements for Federal Awards, Title 2, Code of Federal Regulations – 2 CFR Sec. 200.318