



Book	Policy Manual
Section	800 Operations
Title	Conflict of Interest
Code	827
Status	Second Reading
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Purpose

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

Definitions

Confidential information will mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.[\[1\]](#)

Conflict or Conflict of interest will 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.[\[1\]](#)

De minimis economic impact will mean an economic consequence which has an insignificant effect.[\[1\]](#)

Financial interest will 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.[\[1\]](#)

Honorarium will 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.[\[1\]](#)

Immediate family will mean a parent, spouse, child, brother, or sister. [\[1\]](#)

Business partner will 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.

Public Employee will mean any individual employed by the district who is responsible for taking or recommending official action of a nonministerial nature with regard to: (1) contracting or procurement; (2) administering or monitoring grants or subsidies; (3) planning or zoning; (4) inspecting, licensing, regulating, or auditing any person; or (5) any other activity where the official action has an economic impact of greater than a de minimis nature on the interests of any person. The term shall not include individuals who are employed by the district in teaching as distinguished from administrative duties. As used in this policy, the word "employee" shall refer to this definition of "public employee."

Delegation of Responsibility

Each employee and Board member will 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.

Guidelines

All Board members and employees will be provided with a copy of this policy and acknowledge in writing that they have been made aware of it. Additional training will be provided to designated individuals.

Disclosure of Financial Interests

No Board member will be allowed to take the oath of office or enter or continue upon his/her duties, nor will s/he receive compensation from public funds, unless s/he has filed a statement of financial interests as required by law.[2]

The district solicitor and designated district employees will file a statement of financial interests as required by law and regulations.[3][4]

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.[5]

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.[5]

The district will 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 will not have any supervisory or overall responsibility for the implementation or administration of the contract.[1]

When advertised formal bidding is not required or used, an open and public process will 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 will abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record as required by law.[1]

No public official or public employee will accept an honorarium.[1]

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.[5]

Improper Influence

No person will 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.[1]

No Board member, employee or nominee or candidate for the Board will 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.[1]

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.[5]

In the event of a potential organizational conflict, the potential conflict will 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 will not disqualify the related organization; however, the following measures will be applied:

1. The organizational relationship will 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 will be reported to the Superintendent or designee. If the Superintendent or designee is the subject of the perceived conflict of interest, the employee or third party will 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 will be reported to the Board President. If the Board President is the subject of the perceived conflict of interest, the employee or third party will report the incident to the Superintendent or designee, who will report the incident to the solicitor.

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

Investigation

Investigations based on reports of perceived violations of this policy will comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated will 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 will be reported to the federal awarding agency in accordance with that agency's policies and/or the Pennsylvania State Ethics Commission.

Disciplinary Actions

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

Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions will be consistent with Board policies, procedures, applicable collective bargaining agreements and state and federal laws.[6]

Legal

[1. 65 Pa. C.S.A. 1101 et seq](#)

2. Pol. 004

[3. 51 PA Code 15.2](#)

[4. 65 Pa. C.S.A. 1104](#)

[5. 2 CFR 200.318](#)

6. Pol. 317

Pol. 011

Pol. 319

Pol. 609

Pol. 702