

**ORANGE COUNTY
BOARD OF EDUCATION
AGENDA ITEM ABSTRACT**

Meeting Date: April 18, 2011

**AGENDA
ITEM No.** 11-04-(2)-10
ACTION ITEM: (Y/N) Y

SUBJECT: Employee Conflict of Interest Policy # 7730 Revised – 2nd Reading Approval

INFO. CONTACT: Ms. Marcie Holland **PHONE:** 919-732-8126

ATTACHMENT: 1. Conflict of Interest Policy #7730.

PURPOSE: To revise the Conflict of Interest Policy #7730.

BACKGROUND: The recommended revisions to Policy # 7730 are being provided for second reading, discussion, and approval. The revisions reflect the North Carolina School Boards Association policy on Employee Conflict of Interest. They also mirror the current Orange County Schools' Board Policy # 2121, Board Member Conflict of Interest. The recommended revisions include:

1. Change in the title to specify that this policy relates to Employee Conflict of Interest; the Board has a separate Conflict of Interest Policy #2121.
2. Clarifies restrictions on employees who may be involved in contracts with the Board.
3. Provides the details regarding family members who may enter in to a contract with the Board and the limitations on employee ownership and benefit to the contract.
4. Provides information for employees who are employed outside of the school system and provides non-school employment guidelines.
5. Clarifies the receipt of gifts by school system employees.

This policy has been reviewed by counsel. It was presented for first reading and approval by the Board on April 4, 2011 and is being presented for 2nd Reading Approval.

FINANCIAL IMPACT: None.

RECOMMENDATION: The Superintendent recommends the Board of Education approve the revised Conflict of Interest Policy #7730 2nd Reading Approval.

Employees are expected to avoid engaging in any conduct that creates, or gives the appearance to the public of creating a conflict of interest with job responsibilities with the school district. While there may be other conflicts of interests, employees must follow Board directives in the following areas:

A. FINANCIAL INTERESTS

An employee shall not engage in selling goods or services to the Board and shall not engage in or have a financial interest, directly or indirectly, in any activity that conflicts with duties and responsibilities in the school system.

1. Contracts with the Board

An employee shall not do any of the following:

- a. obtain a direct benefit from a contract that he or she is involved in making or administering on behalf of the board, unless an exception is allowed pursuant to G.S. 14-234 or other law;
- b. influence or attempt to influence anyone who is involved in making or administering a contract on behalf of the board; or
- c. solicit or receive any gift, favor, reward, service or promise of reward, including a promise of future employment, in exchange for recommending, influencing or attempting to influence the award of a contract by the board.

An employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to interpret or make decision regarding the contract. An employee is involved in making a contract if he or she participates in the development of specifications or terms of the contract or participates in the preparation or award of the contract. An employee derives a direct benefit from a contract if the employee or his or her spouse does any of the following: (1) has more than a 10 percent ownership or other interest in an entity that is a party to the contract; (2) derives any income or commission directly from the contract; or (2) acquires property under the contract.

2. Non-School Employment

The board recognizes that some employees may pursue additional compensation on their own time. Any such employee shall not engage in the following:

- a. nonschool employment that adversely affects the employee's availability or effectiveness in fulfilling job responsibilities.
- b. work of any type in which the sources of information concerning customer, client or employee originate from any information obtained thorough the school system;
- c. work of any type that materially or negatively affects the educational program of the school system;
- d. any type of private business using system facilities, equipment or materials, unless prior approval is provided by the superintendent; or
- e. any type of private business during school time or on school property.

The superintendent may grant prior approval for work performed under subsections d and e above if such work enhances the employee's professional ability or professional growth for school-related work. The superintendent may establish reporting procedures that require employees to notify the school system of any non-school employment.

B. RECEIPT OF GIFTS

No school employee may accept gifts from any person or group desiring or doing business with the school system, unless such gifts are instructional products or advertising items of nominal value which are widely distributed.

Legal Reference: G.S. 115C-47(18).

Cross Reference: Board Member Conflict of Interest (Policy 2121)