

Title: Board of Directors' Conflict of Interest

Board of Directors' members must be able to make decisions objectively. It is a conflict of interest for a Board member to receive direct compensation from the Council Bluffs Community School District for anything other than reimbursement of actual and necessary expenses incurred in the performance of official duties, unless otherwise exempted in this policy or law.

It shall be a conflict of interest for a Board member to act as an agent for a school textbook or school supply company, including sports apparel or equipment, in any transaction with the district during the Board member's term of office.

A Board member shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the District. However, it shall not be a conflict of interest for board members to receive compensation from the School District for contracts to purchase goods or services or for part-time or temporary employment if the benefit to the Board member does not exceed \$2,500 in a fiscal year or if the contracts are made by the Board upon competitive bid in writing, publicly invited and opened.

The conflict of interest provisions do not apply to a contract that is a bond, note or other obligation of a school corporation if the contract is not acquired directly from the school corporation, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract, or to a contract in which a director has an interest solely by reason of employment if the contract was made by competitive bid in writing, publicly invited and opened, or the remuneration for employment will not be directly affected as a result of the contract and the duties of employment do not directly involve any of the preparation or procurement of any part of the contract. The competitive bid qualifications of this paragraph does not apply to a contract for professional services not customarily competitively bid.

It shall also be a conflict of interest for a Board member to engage in any outside employment or activity which is in conflict with the Board member's official duties and responsibilities. Situations in which an unacceptable conflict of interest is deemed to exist include, but are not limited to, any of the following:

- (1) The outside employment or activity involves the use of the District's time, facilities, equipment and supplies or the use of the District identification badge, uniform, business card or other evidence of office to give the Board member or member of the Board member's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. For purposes of this section, a person is not "similarly situated" merely by being or being related to a Board member.
- (2) The outside employment or activity involves the receipt of, promise of or acceptance of money or other consideration by the Board member or a member of the Board member's immediate family from anyone other than the District for the performance of any act that the Board member would be required or expected to perform as part

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of the Board member's regular duties or during the hours in which the Board member performs service for the District.

- (3) The outside employment or activity is subject to the official control, inspection, review, audit or enforcement authority of the Board member during the performance of the Board member's duties of office.

If the outside employment or activity is employment or activity in (1) or (2) above, the Board member must immediately cease the employment or activity. If the activity or employment falls under (3), then the Board member must:

- cease the outside employment or activity or
- publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. Official action or official duty includes, but is not limited to, participating in any vote, taking affirmative action to influence any vote or providing any other official service or anything that is not available generally to members of the public in order to further the interests of the outside employment or activity.

The payment of compensation to any family member is within the discretion of the Board subject to the provisions of applicable law.

It is the responsibility of each Board member to be aware of an actual or potential conflict of interest and acknowledge such conflict of interest. Should a conflict of interest arise, a Board member should not participate in any action, including discussion and voting, relating to the issue from which the conflict arose.

Cross References:
206; 206.1, 208, 230,

Legal References:
Iowa Code Chapters 68.B2A4; 277.27; 279.8
Iowa Code §§ 71.1; 279.7A; 301.

Approved: April 30, 1985

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