

Book

Policy Manual

Section

900 Operations

Title

Code of Ethics/Conflict of Interest

Code

917

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## **Purpose**

In order to maintain the highest level of public confidence in governing bodies and public agencies, it is necessary to hold public officials and employees to stringent standards of ethics. The public must be assured that decisions are made independently, free of any conflicts of interest and through the appropriate decision making channels. 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.<sup>[1]</sup>

**Conflict or Conflict of interest** shall mean use by a Board member or District 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 District employee, a member of their immediate family or a business with which they or a member of their immediate family is associated.[\[1\]](#)

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

**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.[\[1\]](#)

**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.[\[1\]](#)

**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.[\[1\]](#)

**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.

## **Authority**

The Board of Education of the School District of Pittsburgh hereby adopts a Code of Ethics as a matter of Board policy. The purpose of this policy is to set forth ethical guidelines for reference by Board members, employees, volunteers and persons doing business with the School District when involved in the expenditure and/or obligations of public funds or the collection and/or review of confidential information.

## **Guidelines**

No Board member, employee, consultant, independent contractor, or volunteer of the School District of Pittsburgh shall use their position or any information received through their position to obtain financial gain, other than compensation provided by law, for himself/herself, a member of their immediate family or a business with which they or a member of their immediate family is associated.

No information of an educational or taxpayer nature which is considered confidential by law or District policy shall be shared with anyone other than those authorized by the District or law to receive and review such information.

No employee shall solicit or accept from any party doing business with the District or interested in doing business with the District anything of value except as follows:

1. Gifts from family members wherein the motivation is the family relationship.
2. Non-pecuniary awards publicly presented in recognition of public service.
3. Admission to charitable, civic, political or other public events or attendance at business meetings where refreshments or meals of nominal value may be provided.
4. Travel expenses reimbursed for attendance at official meetings.
5. Samples provided as promotional material (pens, notepads, etc.).

Each employee shall comply with all state and federal laws prohibiting conflicts of interest, including the Public Official and Employee Ethics Act, and the conflict of interest provisions of the School Code.[\[1\]](#)

Board policy and procedure for copyright and consulting is incorporated herein by reference thereto and made a part of this Ethics Code.

## 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 law.[\[2\]](#)[\[3\]](#)

The District solicitor and designated District employees shall file a statement of financial interests as required by law and regulations. The Law Department shall develop and administer procedures to assist Board members and designated public employees annually on their responsibilities to file these statements, which shall be kept on file in a secure location in the Law Department. Board members and designated public employees are ultimately responsible for complying with this requirement.

In cases where the District receives federal awards, 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.

#### Standards of Conduct – Selection, Award & Administration of Contracts

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.[\[4\]](#)

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 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.[\[4\]](#)

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 which is valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor. Such a contract may be awarded if 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.[\[1\]](#)

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.
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 in a written statement to be attached to the Board minutes.[\[1\]](#)

No public official or public employee shall 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.[\[4\]](#)[\[5\]](#)

#### 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, 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 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.[\[1\]](#)

#### 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.[\[4\]](#)

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.
4. The Board has determined that contracting with the related organization is in the best interests of the program involved.

### Reporting

It shall be the duty of all District employees to notify the solicitor to the Board and Superintendent of potential violations of this Code of Conduct or state and federal laws prohibiting conflicts of interest. No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.

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 appropriate agency in accordance with that agency's policies.[\[6\]](#)

Employee violations may result in disciplinary action up to and including discharge. Disciplinary actions shall be consistent with Board policies, procedures, applicable collective bargaining agreements and state and federal laws.

## **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 District employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.

The Superintendent and Secretary to the Board shall ensure that all current and future Board members have access to this policy on the District's publicly accessible website. The Superintendent and Secretary shall also ensure that all current and future employees have access to this policy on the District's publicly available website and sign a receipt indicating same. Receipts shall be maintained in the personnel files of the District.

The Superintendent and Secretary shall see that current and future volunteers, independent contractors, current and prospective bidders and vendors are made aware of the policy by whatever means is practical and effective, including reference in bid specifications and requests for proposals.

The Superintendent or designee shall arrange for regular training on this Policy to be provided to all District employees and Board Members.

### Legal

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

[2. 51 PA Code 15.2](#)

[3. 65 Pa. C.S.A. 1104](#)

[4. 2 CFR 200.318](#)

5. Pol. 302

[6. 2 CFR 200.112](#)

Pol. 005

Pol. 309

Pol. 708

Pol. 802

**Last Modified by Deborah Willig on October 1, 2020**