

CONFLICTS OF INTEREST

Board members and employees must abide by all state and federal laws and regulations that address conflict of interest standards.

Conflicts of Interest Under the Alabama Ethics Law

Board members and employees should adhere to all applicable provisions of the *Alabama Ethics Law*, as it may be amended, with respect to conflicts of interest. That law currently defines a “conflict of interest” as:

A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.

Conflict of Interest Rules Relating to Federal Contracts

Board members and employees should also adhere to federal standards concerning conflicts of interest as they apply to the actions of employees engaged in the selection, award, and administration of contracts supported by a federal award.

In general, the federal rules currently provide that:

No employee, officer, or agent of the board shall participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, board member, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from the firm considered for a contract. The officers, employees, board members, and agents of the school district 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.

Items of “nominal value” are those of *de minimis* value under the *Alabama Ethics Law*, or that are not “things of value” under that law.

Per 2 C.F.R. § 200.318, the school district must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through in accordance with the federal awarding agency’s conflicts policies. Also, the school district must disclose whenever it has credible evidence of the

commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations under Title 18 or Civil False Claims Act (31 U.S.C. 3729–3733). Such disclosures should be made promptly, and absent unusual circumstances, no less than 72 hours after a determination has been made by the Superintendent of the same.

Federal law provides protections for whistleblowers relating to federal contracts. Federal law explains that a board employee will not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in paragraph (a)(2) of 41 U.S.C. 4712 information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

Reporting Conflicts of Interest

Situations and circumstances presenting an actual conflict of interest or the appearance of a conflict of interest should be brought to the immediate attention of the Superintendent. A board employee who has knowledge of a possible conflict of interest should identify the conflict and notify the Superintendent. The Superintendent will review the matter and determine the appropriate resolution. (If the Superintendent is unavailable or involved in the potential conflict, then the matter may be reported to the Board President.) Resolution can consist of disqualification, recusal, waiver, or other appropriate measures (including but not limited to appropriate documentation demonstrating recusal). Appropriate measures may include reporting a conflict of interest to the State Ethics Commission, the Alabama State Board of Education, or the appropriate federal agency. Violations of this policy by an employee may also result in disciplinary action.

Legal References: Ala. Code 36-25-1, et seq. (1975); 10 U.S.C. 4701; 41 U.S.C. 4712; 41 U.S.C. 4304; 10 U.S.C. 4310; 2 C.F.R. § 200.318; 2 C.F.R. § 200.113. All legal references should be updated to reflect any amendments thereto, and these policies should always be read to be consistent with amended and current laws.

Adopted: March 24, 2026