Conflict of Interest (Organizational and Board Members)

Definitions:

Confidential Information – information not attainable from reviewing a public document or from making inquiry to a publicly available source of information.

Immediate Family – a parent, parent-in-law, spouse, domestic partner, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the spouse or domestic partner of a parent, child, brother or sister.

Conflict of Interest – use by a Board member of the authority of the Board member's office, or any confidential information received through holding public office, for the private pecuniary benefit of the Board member, a member of the Board member's immediate family or a business with which the Board member or their immediate family members are 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, their immediate family members or a business with which the Board member or their immediate family members are associated.

Associated – (as used in connection with a business) means one who is an officer, director, owner or employee of or has a material financial interest in the business.

Material Financial Interest – any financial interest in a legal entity engaged in business for profit where said interest 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.

Guidelines

All Board Members shall be provided with a copy of this Board Policy and acknowledge receipt and understanding of the guidelines contained herein in writing at the time of their orientation.

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 the Board member has filed a statement of financial interests as required by law.

No Board Member shall engage in conduct that constitutes a conflict of interest.

Standards of Conduct

The following standards shall govern the actions of Board Members engaged in the selection, award and/or administration of contracts.

No Board Member may participate in the selection, award or administration of a contract if the Board member has a conflict of interest as defined above, as well as any other circumstance in which the Board Member, of the Board members immediate family or business partners, 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.

The District may not enter into a contract valued at $500 or more with the below individuals, unless 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 shall not have any supervisory or overall responsibility for the implementation or administration of the contract.

(1) a Board Member;
(2) a member of the Board Member's immediate family;
(3) any business in which the Board Member or a member of the Board Member's immediate family is associated; or
(4) any business in which the Board member, a member of the Board member's immediate family, or business in which any such individual is associated is a subcontractor.

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; and

3. Post-award public disclosure of who made bids or quotes and who was chosen.

Subject to the following exception, in the event any Board member, in the discharge of their official duties, would be required to vote on a matter that would result in a conflict of interest, the Board member shall be required to abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of the conflict of interest as a public record in a written memorandum filed with the Board Secretary.

Although a Board member is generally required to abstain from voting on any matter that would result in a conflict of interest, a Board member may vote on such a transaction or arrangement if the vote is needed to break a tie or if the Board member's vote is needed to make the majority or other legally required vote attainable. In those situations, the Board member must publicly disclose the conflict of interest and may not have any supervisory or overall responsibility for the implementation or administration of the transaction or arrangement.

Board Members 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 as defined in Administrative Regulation No. 4160 and otherwise in accordance with Board Policy.

Improper Influence

No Board Member, 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, nominee or candidate that the vote, official action or judgment of the Board Member, nominee or candidate for the Board would be influenced thereby.

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.

In the event of a potential organizational conflict, the potential conflict shall be reviewed by the Superintendent or designee, when brought to the Superintendent's attention, 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; 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 of a Board member that is detected or suspected by any employee or third party shall be reported in writing to the Board President. If the Board President is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Superintendent, who shall report the incident to the Solicitor.

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

Investigation

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 agencies in accordance with applicable law.

Corrective Action

If an investigation results in a finding that a complaint is factual and constitutes a violation of this Policy, the District shall take and document prompt, corrective action to ensure that such conduct ceases and will not recur.

Corrective action shall be consistent with applicable law. The Superintendent or designee shall document the corrective action taken and, when not prohibited by law, inform the complainant.

This Policy is intended to supplement, but not replace, any applicable state laws and regulations governing conflicts of interest, including but not limited to relevant provisions of the Pennsylvania Public School Code and the Pennsylvania Public Official and Employees Ethics Law, and the Uniform Administrative Requirements for Federal Awards.

Adopted: April 26, 2004
Revised: October 25, 2004
Revised: August 23, 2010
First Reading: June 1, 2016
Revised: October 26, 2026