

## **BOARD OF EDUCATION MEMBER CONFLICT OF INTEREST**

The purpose of this policy is to avoid conflicts of interest and inspire the public trust. In general, a conflict of interest shall exist if so defined by Board of Education (the "Board") policy or applicable law, or if, in the reasonable judgment of a Board member, an immediate, definite and demonstrable personal or private interest exists which may unduly influence the Board member in conflict with the public interest.

1. Except as otherwise provided by applicable law, a Board member shall not engage in a substantial financial transaction for the Board member's private business purposes with the Superintendent.
2. A Board member shall not perform an official act directly and substantially benefiting economically an undertaking in which the Board member has a substantial financial interest or is engaged as counsel, consultant, representative, or agent. Further, a Board member should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he or she has a substantial financial interest in a competing firm or undertaking.
3. Except as otherwise permitted herein, a Board member shall not be a purchaser at any sale or a vendor for any purchase made by the District in his or her official capacity.
4. A Board member shall not have an interest in any contract made by the Board. "Interest" does not include holding a minority interest in a corporation. "Contract" does not include: (a) a contract awarded to the lowest responsible bidder based on competitive bidding procedures; (b) merchandise sold to the highest bidder at public auctions; or (c) investments or deposits in financial institutions which are in the business of loaning or receiving moneys. "Contract" also does not include a contract with an interested Board member if, because of geographic restrictions, the District could not otherwise reasonably afford itself of the subject of the contract. It is assumed that the District cannot reasonably afford itself of the subject of a contract if the additional cost to the District is greater than ten percent of a contract with the interested Board member or if the contract is for services that must be performed within a limited time period and no other contractor can provide those services within that time period.
5. A Board member should not acquire or hold an interest in any business or undertaking which he or she has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by an agency over which he or she has substantive authority.
6. A Board member should not, within six months following the termination of his or her office, obtain employment in which he or she will take direct advantage, unavailable to others, of matters with which he or she was directly involved during his or her term of office. These matters include rules, other than rules of general application, which he or she actively helped to formulate, and applications, claims or contested cases in the consideration of which he or she was an active participant.

7. Each year, Board members shall identify in writing any existing or potential conflicts of interest they have with the District, including, but not limited to, any contract or employment relationship between the District and one or more of the following: (a) the Board member; (b) any member of the Board member's immediate household, or the Board member's spouse, parent or child (as defined by Administrative Regulation GBGF-R); or (c) any entity in which the Board member or a member of the Board member's immediate household or the Board member's spouse, parent or child has a substantial financial interest.
8. A member of the Board may request an advisory opinion from the Secretary of State concerning issues relating to his or her conduct and potential conflict of interest.

Board members are required by law to disclose certain items received in connection with serving on the Board. If Board members receive such items, they must file a report with the Secretary of State on forms prescribed by the Secretary of State (see BCB-E-2). Such report must be filed on or before January 15, April 15, July 15 and October 15 of each year, and shall cover the period since the last report. The report must contain the name of the person from whom the reportable item was received, its value and the date of receipt. Board members who do not receive any items that must be reported are not required to file a report. To avoid misunderstandings about the value of an item, the donor must furnish the Board member with a written statement of the dollar value of the item when it is given. Items which must be reported include the following:

- a. Any money received, including a loan, pledge, advance, guarantee of a loan or any forbearance or forgiveness of indebtedness from any person with a value greater than \$53.
- b. Any gift of any item of real or personal property other than money with a value greater than \$53.
- c. Any loan of real or personal property if the value of the loan is greater than \$53. "Value of the loan" means the cost saved or avoided by the Board member by not borrowing, leasing or purchasing comparable property from a source available to the general public.
- d. Any payment for a speech, appearance or publication.
- e. Tickets to a sporting, recreational, educational or cultural event with a value greater than \$53 for any single event.
- f. Payment of or reimbursement for actual and necessary expenses for travel and lodging for attendance at a convention, fact-finding mission or trip, or other meeting if the Board member is scheduled to deliver a speech, make a presentation, participate on a panel or represent the school district unless the payment for such expenditures is made from public funds or from the funds of any association of public officials or public entities such as the Colorado Association of School Boards (CASB).
- g. Any gift of a meal to a fund-raising event of a political party.

9. If a Board member has a personal or private interest in a matter proposed or pending before the Board, he or she shall refrain from voting on the matter and from attempting to influence the decisions of other Board members. The Board member may vote under such circumstances only if the Board member's vote is necessary to obtain a quorum or otherwise enable the Board to act and if the Board member voluntarily discloses in writing to the Secretary of State the nature of his or her interest in accordance with applicable law. In the case of a conflict of interest, the Board shall excuse the Board member from voting for good cause unless the Board reasonably determines that no conflict of interest exists.

Current practice codified 1980  
Revised May 1989  
Revised November, 1992  
Revised April 14, 1993  
Revised February, 1995  
Revised September 2003  
Revised March 2010  
Reviewed June 2013  
Revised November 20, 2013

LEGAL REFS.: Colorado Constitution, Article X, Section 7  
C.R.S. § 22-32-108(6)  
C.R.S. § 24-6-201, et seq.  
C.R.S. § 24-18-105  
C.R.S. § 24-18-108.5  
C.R.S. § 22-32-109 (1) (y)  
C.R.S. § 24-18-109 through 24-18-111  
C.R.S. § 24-18-201 through 24-18-202

CROSS REFS.: BC, School Board of Education Member Conduct  
BCA, Board Member Code of Ethics  
BCA-E, Board Member Code of Ethics (Exhibit)  
BCB-E, Exhibit 1 to Policy BCB, Board of Education Member Conflict of Interest  
BCB-E-2, Exhibit 2 to Policy BCB, Board of Education Member Conflict of Interest (form to be provided to Secretary of State as mentioned in section 9 above)  
BCC, Improper Conduct of Board Members  
BEDF, Voting Method  
DJ, Procurement and Contracting  
DJE, Bidding Procedures

Policy Owner: Board of Education