

REGULATIONS GOVERNING CONFLICT OF INTEREST AND DISCLOSURE OF ECONOMIC INTERESTS WHEN FEDERAL AWARD FUNDS ARE UTILIZED

CONFLICTS OF INTEREST

These regulations are intended to augment Policy BBFA – Conflict of Interest & Disclosure of Economic Interests to ensure compliance with Federal requirements that may exceed Policy BBFA and ensure that members of the School Board and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.

Each employee and member of School Board shall be responsible to maintain standards of conduct that avoid conflicts of interest. The School Board prohibits members of the Board and employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.

All members of School Board and employees shall be provided with a copy of these regulations and acknowledge in writing that they have been made aware of them. Additional training shall be provided to designated individuals.

1. Definitions –

- a. Confidential Information – Shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.
- b. Conflict or Conflict of Interest – Shall mean use by a member of School Board or employee of the local government of his/her office or employment, or any confidential information received through his/her holding public office or employment, for the private pecuniary benefit of him/herself, a member of his/her immediate family or a business with which s/he or a member of his/her 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 member of School Board or employee, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated.
- c. Apparent Conflict of Interest – Shall mean a situation in which a reasonable person would perceive that a decision-maker's (member of School Board or employee) judgment is likely to be compromised.
- d. De Minimis Economic Impact – Shall mean an economic consequence which has an insignificant effect.
- e. 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.
- f. 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.
- g. 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.

- h. 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.
2. Disclosure of Financial Interests – No member of School Board shall be allowed to take the oath of office or enter or continue upon his/her duties, nor shall s/he receive compensation from public funds, unless s/he has filed a statement of financial interests as required by law.
3. Standards of Conduct – The School Board maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and members of School Board engaged in the selection, award and administration of contracts.
- a. No employee or member of School Board may participate in the selection, award or administration of a contract supported by a Federal award if s/he has a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, member of School Board, any member of his/her immediate family, his/her 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.
 - b. The School Board shall not enter into any contract with a member of School Board or employee, or his/her spouse or child, or any business in which the person or his/her spouse or child is associated valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the School Board has determined it is in the best interests of the School Board 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 member of School Board or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.
 - c. When advertised formal bidding is not required or used, an open and public process shall include at a minimum:
 - Public notice of the intent to contract for goods or services;
 - A reasonable amount of time for potential contractors to consider whether to offer quotes; and
 - d. Post-award public disclosure of who made bids or quotes and who was chosen. Any member of School Board or employee who in the discharge of his/her 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 his/her interest as a public record.
 - e. No public official or public employee shall accept an honorarium.
 - f. Members of School Board 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 policy.
4. Improper Influence –
- a. No person shall offer or give to a member of School Board, employee or nominee or candidate for the School Board, or a member of his/her immediate family or a business

with which s/he is 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 member of School Board, employee or nominee or candidate for the School Board would be influenced thereby.

- b. No member of School Board, employee or nominee or candidate for the School 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 member of School Board, employee or nominee or candidate that the vote, official action or judgment of the member of School Board, employee or nominee or candidate for the School Board would be influenced thereby.
5. Organizational Conflicts – Organizational conflicts of interest may exist when, due to the School Board's relationship with a subsidiary, affiliation or parent organization that is a candidate for award of a contract in connection with Federally funded activities, the School Board 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 to determine whether it is likely that the School Board would be unable or appear to be unable to be impartial in making the award. If such likelihood exists, this shall not disqualify the related organization; however, the following measures shall be applied:

- a. The organizational relationship shall be disclosed as part of any notices to potential contractors.
 - b. Any School Board employees or officials directly involved in the activities of the related organization are excluded from the selection and award process.
 - c. A competitive bid, quote or other basis of valuation is considered.
 - d. The School Board has determined that contracting with the related organization is in the best interests of the program involved.
6. Reporting –

Any perceived conflict of interest that is detected or suspected by any employee or third party shall be reported to the Superintendent. If the Superintendent is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the School Board chairperson.

Any perceived conflict of interest of a member of School Board that is detected or suspected by any employee or third party shall be reported to the School Board chairperson. If the School Board chairperson is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Superintendent.

The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

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

7. 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 Federal awarding agency in accordance with that agency's policies.

8. Disciplinary Actions –

If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, the School Board shall take prompt, corrective action to ensure that such conduct ceases and will not recur. School Board staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.

Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with School Board policies, procedures, applicable collective bargaining agreements and state and Federal laws.

Approved: July1, 2022

*Policy per Robinson, Farmer, Cox Associates (RFCA) and modified by ACPS

Cross Ref: BBFA Conflict of Interest & Disclosure of Economic Interests