

INTERNAL BOARD POLICIES

Board Member Conflict of Interest

Definitions

For the purposes of this policy, the following definitions apply:

“Conflict of interest” means:

1. Contracts or financial transactions in which a board member or his/her family member:
(i) has a financial interest, or a competing financial interest, in a contract or financial transaction; or (ii) is an employee of the district.
2. Being a party, directly or indirectly, to a contract with the district. It shall also be a conflict of interest for a business entity in which a board member has a financial interest to be a party to a contract with the district.

If a contract does not otherwise present a conflict of interest, a board member may be a party directly or indirectly to a contract with the district if all of the following are met:

- a. 2/3 of the board members are not eligible to vote on the contract or to constitute a quorum.
 - b. (i) the amount of the contract's benefit to the board member is less than \$250 and less than 5% of the total cost of the contract to the district; and (ii) the board member files a sworn affidavit to that effect with the board.
 - c. The board member publicly discloses the pecuniary interest in the contract in either of the following ways:
 1. The board member discloses the interest in writing to the presiding officer, or if the presiding officer is the board member who is a party to the contract, to the secretary, at least seven days prior to the meeting at which a vote on the contract will be taken. The disclosure shall be made public in the same manner as a public meeting notice.
 2. The board member discloses the interest at a public board meeting. The vote shall be taken at a meeting held at least seven days after the meeting at which the disclosure is made.
3. The solicitation of contracts with the district involving a board member or a business entity in which the board member has a financial interest.
 4. Any situation giving rise to a conflict of interest under applicable law.

“Family member” means a board member's spouse or spouse's sibling or child; a board member's sibling or sibling's spouse or child; a board member's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage.

“Financial interest” means any stock, bond or other debt, obligation, option or right to purchase stock, share in profits, investment, partnership interest, employment, or other interest of any nature. The following do not give rise to a “financial interest”:

1. Stock or equity ownership in a corporation or other business entity if all the following conditions are met: (1) the individual owns 1% or less of the total stock outstanding in any class; and (2) the stock is not listed on a stock exchange.
2. Stock or equity ownership in a corporation or other business entity if all the following conditions are met: (1) the individual owns stock that has a present market value of \$25,000.00 or less; and (2) the stock is listed on a stock exchange.
3. If an individual is a beneficiary under a trust and the trust owns stock in a corporation or other business entity if the following conditions are met: (1) the trust owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange; or (2) owns stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

The members of the board of education of the Okemos Public Schools shall not act on matters that present a conflict of interest.

When a board member determines that the possibility of a conflict of interest exists for him/her, he/she should disclose the potential conflict prior to the matter being considered. Thereafter, the board member for whom a possible conflict exists shall abstain from voting on the matter. The disclosure shall become a matter of record in the minutes. However, a board member may vote on any matter for which his/her vote is required by law.

A board member shall not participate in the negotiation or execution of contracts, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the board member has a financial interest or other personal interest.

A conflict of interest does not arise solely because a board member has a child enrolled in the district.

Any board member who has, will have, or later acquires an interest in any actual or proposed contract with the board shall publicly disclose the nature and extent of such interest in writing to the board as soon as he/she has knowledge of it and shall follow the requirements in this policy regarding conflicts of interest.

All matters in which a board member abstains due to a conflict of interest shall then be approved by four (4) votes of the board without the abstaining member(s). However, if a majority of the board members are required to abstain from voting on a contract or other financial transaction due to the operation of Section 1203 of the Revised School Code, then, notwithstanding any other provision of law, bylaw, or board policy, for the purposes of that contract or other financial transaction, the members who are not required to abstain constitute a quorum and a majority of those members eligible to vote is required for approval of the question.

It is not the intent of this policy to prevent the board of education from contracting with a business entity under competitive bidding procedures because a board member is an employee of such an entity.

This policy will be distributed to board members at the organizational meeting in January of each year. Each board member shall sign the attached "Conflict of Interest Disclosure Form" by January 15 and file it with the Office of the Superintendent of Schools.

Reference:

MCL 380.11 et seq; 380.1203

MCL 15.321-330

Policy 1313: Gifts to School Personnel

Policy 4139: Conflict of Interest

Policy

Adopted: 05-10-76

Amended: 06-23-14

Reviewed:

**Okemos Board of Education
Conflict of Interest Disclosure Form**

(To be filed by each board member by January 15 with the Office of the Superintendent)

I, _____, as a member
[PLEASE PRINT]

of the Okemos Board of Education, have carefully read and understand
the district's policies (listed below) concerning Conflict of Interest.

I represent to the district the following:

- I am in compliance with all provisions of the policies/regulations.
- I do not have any personal, financial or professional interest
that may trigger my obligation to report a real or potential conflict
or to seek guidance on any situations except as follows:

Signature

Date

Okemos Board Policy Regulations:
4139: Personnel: Conflict of Interest
8250: Board Member Conflict of Interest