

Conflict of Interest

General Prohibition

It is unlawful for any board member to have pecuniary interest directly or indirectly in any contract or other transaction pertaining to the maintenance or conduct of the district, or to accept any reward or compensation for services rendered as a board member except as otherwise provided by law.

The receiving, soliciting, or acceptance of district monies for deposit in any bank or trust company, or the lending of money by any bank or trust company to any district, will not be deemed to be a contract pertaining to the maintenance or conduct of the district. The board's payment of compensation to any bank or trust company for services rendered in the transaction of any banking business with the board will also not be deemed the payment of any reward or compensation to any officer or director of any such bank or trust company.

Contracts with a Board Member's Spouse

It is unlawful for the board to enter into or execute any contract with the spouse of any member of the board, the terms of which said contract requires, or will require, the payment or delivery of any district funds, money, or property to such spouse, unless the contract meets the exception to the prohibition as set forth below.

Employment of Relatives of Board Members

The board will not employ any board member's spouse. When any other relative of any board member, or relative of the spouse of a board member, related by blood or marriage within the second degree, is considered for employment by the district, such board member will abstain from voting in the election of such relative, and will be absent from the meeting while such employment is being considered and determined.

Conflict of Interest

A trustee may not:

1. use the trustee's official power to further the trustee's own interests;
2. have a pecuniary interest directly or indirectly (except a remote interest) in any contract or other transaction pertaining to the maintenance or conduct of the school district. A "remote interest" means:
 - A. the trustee is a non-salaried employee of a nonprofit corporation; or
 - B. the trustee is an employee or agent of a contracting party where the compensation of the trustee as an employee or agent consists entirely of fixed wages or salary; or

- C. the trustee is a landlord or tenant of a contracting party; or
 - D. the trustee is a holder of less than one percent (1%) of the shares of a corporation or cooperative a contracting party ; AND
 - E. the trustee discloses such remote interest to the Board of Trustees;
3. accept any reward or compensation for services rendered as a trustee except as expressly provided by law;
 4. accept and award contracts involving the school district to businesses in which a trustee or person related to him or her by blood or marriage within the second degree has a direct or indirect interest except when the procedures set forth in I.C. §§ 18-1361 or 18-1361A are followed;
 5. be involved in the employment of a relative related by affinity or consanguinity within the second degree (the trustee shall be absent from the meeting while such employment is being considered and/or determined);
 6. employ the spouse of a trustee when such employment requires or will require the payment or delivery of any school district funds, money, or property to such spouse except when the procedures set forth in I. C. § 33-507(3) are followed as outlined in Policy 1615;
 7. enter into a contract in the trustee's individual capacity, the effect of which is to create a personal interest which may conflict with the officer's public duty;
 8. accept a bribe for money, a promise, gift, or any other form of personal advantage or engage in a substantial financial transaction for the trustee's private business purpose with a person whom the trustee inspects or supervises in the course of official duties;
 9. be a purchaser or vendor at any sale or purchase made by the trustee in the trustee's official capacity;
 10. use public funds or property to obtain a pecuniary benefit for himself or herself;
 11. solicit, accept, or receive a pecuniary benefit as payment for services, advice, assistance, or conduct customarily exercised in the course of the trustee's official business;
 12. use or disclose confidential information gained in the course of or by reason of the trustee's official position or activities in any manner with the intent to obtain a pecuniary benefit for the trustee or any other person or entity in whose welfare the trustee is interested or with the intent to harm the District;
 13. appoint or vote for the appointment of any person related to him or her by blood or marriage within the second degree to any clerkship, office, position, employment or duty, when the salary, wages, pay or compensation of such appointee is to be paid out of public funds or fees of office, or appointment or furnish employment to any person whose salary, wages, pay or compensation is to be paid out of public funds or fees of office, and who is related by either blood or marriage within the second degree to any other public servant making or voting for such appointment.

Relation by blood within the second degree includes grandparents and grandchildren. Laterally, it includes brothers and sisters. Please refer to the Consanguinity Chart located at the end of this policy.

Exceptions to the General Prohibition

The board may accept and award district contracts to businesses in which a trustee, or his or her relative, has a direct or indirect interest if less than three (3) suppliers of a good or service exist within a fifteen (15) mile radius of where the good or service is to be provided and the contract is necessary to respond to a disaster.

If no disaster exists the following procedures must be followed:

1. The contract is competitively bid and the board member or his or her relative submits the low bid;
2. Neither the board member nor his or her relative takes part in the preparation of the contract or bid specifications, and the board member takes no part in voting on or approving the contract or bid specification;
3. The board member makes full disclosure, in writing, to all members of the board of his or her interest, or the interest of his or her relative, and sets forth his or her intention, or the intention of his or her relative, to bid on the contract; and
4. Neither the board member nor his or her relative has violated any provisions of Idaho law pertaining to competitive bidding or improper solicitation of business.

Consanguinity Chart

Adapted from the Idaho State Attorney General's "Idaho Ethics in Government" Manual

			4 Great Great Grandparent
		4 Great Grand Uncle/Aunt	3 Great Grandparent
	3 Child of Great Uncle/Aunt	3 Great Uncle/Aunt	2 Grandparent
3 Second Cousin	2 Cousin	2 Uncle/Aunt	1 Parent
3 Cousin's Child	2 Nephew/Niece	1 Sibling	1 Person 'A'
3 Grand Nephew/Niece			1 Child
			2 Grandchild
			3 Great Grandchild

Policy History:

Revised on: October 13, 2014