## 203 Procedure of Operation

### 203.2 Board of Education Conflict of Interest

Board members must be able to make decisions objectively. It shall be a conflict of interest for a board member to receive direct compensation from the school district, unless exempted in this policy, for anything other than reimbursement of actual and necessary expenses, including travel, incurred in the performance of official duties. A board member will not act as an agent for a school textbook or school supply company doing business with the school district during the board member's term of office. It shall not be a conflict of interest for board members to receive compensation from the school district for contracts to purchase goods or services if the benefit to the board member does not exceed $2,500 in a fiscal year or if the contracts are made by the board upon competitive bid in writing, publicly invited and opened. The payment of compensation to another family member shall be within the discretion of the board.

The conflict of interest provisions do not apply to a contract that is a bond, note or other obligation of a school corporation if the contract is not acquired directly from the school corporation, but is acquired in a transaction with a third party, who may or may not be the original underwriter, purchaser, or obligee of the contract, or to a contract in which a director has an interest solely by reason of employment if the contract was made by competitive bid, in writing, publicly invited and opened, or if the remuneration for employment will not be directly affected as a result of the contract and duties of employment do not involve any of the preparation or procurement of any part of the contract. The competitive bid section of the conflict of interest provision does not apply to a contract for professional services not customarily competitively bid.

It shall also be a conflict of interest for a board member to engage in any outside employment or activity which is in conflict with the board member's official duties and responsibilities. In determining whether outside employment or activity of a board member creates a conflict of interest, situations in which an unacceptable conflict of interest shall be deemed to exist shall include, but not be limited to, any of the following:

1. The outside employment or activity involves the use of the school district's name, facilities, equipment and supplies or the use of the school district badge, uniform, business card or other evidence of office to give the board member or member of the board member's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public. For purposes of this section, a person is not "similarly situated" merely by being related to a board member.

2. The outside employment or activity involves the receipt of, promise of, or acceptance of more or other consideration by the board member or a member of the board member's immediate family from anyone other than the state or the school district for the performance of any act that the board member would be required or expected to perform as part of the board member's regular duties or during the hours in which the board member performs service or work for the school district.

3. The outside employment or activity is subject to the official control, inspection, review, audit or enforcement authority of the board member during the performance of the board member's duties of office or employment.

If the outside employment or activity is employment or activity in (1) or (2) above, the board member must cease the employment of or activity. If the activity or employment falls under (3), then the board member must:

- Cease the outside employment or activity; or
- Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit for the outside employment or activity. Official action or official duty includes, but is not limited to, participating in any vote, taking affirmative action to influence any vote, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity.

It shall be the responsibility of each board member to be aware of an actual or potential conflict of interest. It shall also be the responsibility of each board member to take the action necessary to eliminate such a conflict of interest. Should a conflict of interest arise, a board member should not participate in any action relating to the issue from which the conflict arose.

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Legal Reference: Iowa Code §§ 39.1, .2; 68B; 71.1; 277.27; 279.7A; 301.28 (~~1993~~ 2009).
1990 Op. Att'y Gen.
1988 Op. Att'y Gen. 21.
1986 Op. Att'y Gen. 10.
1984 Op. Atty Gen. 23.
1982 Op. Att'y Gen. 302.
1978 Op. Att'y Gen. 295.
1976 Op. Att'y Gen. 89.
1974 Op. Att'y Gen. 137.
1936 Op. Att'y Gen. 237.

Cross Reference: 202.1 Code of Ethics
203.3 Gifts to Board of Education
803.5 Payment for Goods and Services