

## Policy Code: 7305 Employee Conflict of Interest

Employees are expected to avoid engaging in any conduct that creates or gives the appearance to the public of creating a conflict of interest with their job responsibilities. Employees shall not engage in or have a financial interest, directly or indirectly, in any activity that conflicts with duties and responsibilities in the school system. Although conflicts of interest are not limited to those described in this policy, at a minimum employees must comply with the Board directives established below. In addition, employees engaged directly or indirectly in the school system's procurement, purchasing, and/or contracting process must comply with policy 6401/9100, Ethics and the Purchasing Function.

### A. Contracts with the Board

An employee shall not do any of the following:

1. obtain a direct benefit from a contract that he or she is involved in making or administering on behalf of the Board, unless an exception is allowed pursuant to [G.S. 14-234](#) or other law;
2. participate in the selection, award, or administration of a contract supported in whole or in part by federal funds if the employee has a real or apparent conflict of interest as described in policy 8305, Federal Grant Administration;
3. influence or attempt to influence anyone who is involved in making or administering a contract on behalf of the Board when the employee will obtain a direct benefit from the contract or vendor; or
4. solicit, accept, or receive any gift, favor, reward, service, gratuity, other compensation, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a contract by the Board.
5. solicit, sell, or have any pecuniary (financial) interest in the supplying of any goods, wares, materials, supplies, services, or equipment to the school system except in instances where the employee has complied with the above subsections and the contract or transaction (a) is awarded through a competitive process; (b) is approved by the assistant superintendent for human resources, in consultation with legal counsel, to ensure consistency with federal and state law, including laws governing conflicts of interest; and (c) does not interfere with an employee's ability to do the employee's current job.

A contract with the Board includes a contract approved and executed by the Board, superintendent, or designee as authorized by policy 6420, Contracts with

the Board, or policy 6450, Purchase of Services. Employees involved in making or administering a contract shall complete training on conflicts of interest as required by state law.

An employee is involved in “administering a contract” if he or she oversees the performance of the contract or has authority to interpret or make decisions regarding the contract. An employee is involved in “making a contract” if he or she participates in the development of specifications or terms of the contract or participates in the preparation or award of the contract.

An employee derives a “direct benefit” from a contract if the employee or his or her spouse does any of the following: (1) has more than a 10 percent ownership or other interest in an entity that is a party to the contract; (2) derives any income or commission directly from the contract; or (3) acquires property under the contract. An exception is allowed for employment contracts between the Board and the spouse of the superintendent if approved by the Board in an open session meeting in accordance with the requirements of state law and policy 7100, Recruitment and Selection of Personnel.

Even where an employee will not derive a direct benefit from a contract, no employee shall recommend for approval or approve any contract with or purchase any goods or services from any immediate family member who will derive a direct benefit without disclosure to and approval of the superintendent or designee.

## **B. Misuse of Information**

An employee shall not do any of the following:

1. use information, which was learned in the employee’s role as an employee and which has not been made public, to acquire a financial interest or gain a financial benefit, or to intentionally help another do so; or
2. acquire or gain, or intentionally help another person to acquire or gain, a financial interest or benefit in contemplation of official action by the employee or the school system.

## **C. Non-School Employment or Non-School Activity for Compensation**

The Board recognizes that some employees may pursue additional compensation on their own time. Any such employee shall not engage in any non-school employment, non-school activity for compensation, or private business that does any of the following:

1. adversely affects the employee’s availability or effectiveness in fulfilling job responsibilities;

2. solicits potential customers or clients or involves sources of information concerning customer, client, or employer that originate from any information obtained through the school system;
3. materially and negatively affects the educational program of the school system;
4. uses school system property or school system equipment or materials, unless otherwise permitted by policy 7335, Tutoring or Providing Services to Students for Pay, policy 5030, Community Use of Facilities, or unless prior approval is provided by the superintendent or designee; or
5. occurs during assigned work hours.

The superintendent or designee may grant prior approval for work performed under subsections C.4 above if such work enhances the employee's professional ability or professional growth for school-related work. The superintendent may establish reporting procedures that require employees to notify the school system of any non-school employment.

Except as otherwise provided in the superintendent's contract, the superintendent is subject to the provisions of this section and all state and federal laws regarding conflicts of interest in his or her position as superintendent.

#### **D. Unethical Influence of Students**

An employee is expected to refrain from the use of the employee's position or assignment in ways that could be construed to unfairly or unduly influence students in matters such as but not limited to:

1. Receiving fees from educational institutions for the recruitment of students;
2. Recruiting students to participate in private business-type activities operated by the employee apart and separate from the school system;
3. Causing students to feel it necessary or advisable to participate in activities or events which require more than nominal costs;
4. Receiving fees or other considerations in lieu thereof for the recruitment, enlistment, or chaperoning of students for private promotions; and
5. Violating the school system's rules prohibiting the recruitment of student athletes.

#### **E. Receipt of Gifts**

No employee may accept any cash gifts.

No employee may solicit or accept any gifts from any potential or current provider of E-rate services or products in violation of federal E-rate program gifting rules.

No employee may solicit or accept trips, meals, favors, or other gifts or items of monetary value from any other person or group desiring to do or doing business with the school system, unless such gifts are of nominal value (\$50 or less) and (1) are instructional products or advertising items that are widely distributed; (2) are honorariums for participating in a meeting; (3) are meals served at a banquet; or (4) are approved for receipt by the superintendent or designee. These exceptions for gifts of nominal value do not apply to employees involved in purchasing and procurement activities except as provided in policies 6401/9100, Ethics and the Purchasing Function, and 8305, Federal Grant Administration, and applicable state and federal law.

In all other instances, employees shall not accept any gift from an individual parent or community member related to their employment, except gifts of nominal value (\$50 or less). Care should also be exercised to ensure that the acceptance of any gift does not create an appearance of impropriety. Drawings, door prizes, and other items awarded by the school system, professional associations or parent organizations to an employee are not subject to this provision. The acceptance of grants, crowdfunding, or donations that benefit an employee's classroom or worksite is not prohibited by this provision and must be consistent with school system policies and procedures addressing Gifts and Bequests and Crowdfunding on Behalf of the School System.

## **F. Violations**

The superintendent or designee shall ensure that all personnel are aware of the requirements of this policy and applicable conflict of interest laws. Any individual aware of any violation of this policy, policy 2121, Board Member Conflict of Interest, policy 6401/9100, Ethics and the Purchasing Function, the conflict of interest provisions of policy 8305, Federal Grant Administration, or applicable conflict of interest laws shall report such violation to the assistant superintendent for human resources or designee. Employees who violate this policy, policy 6401/9100, or the conflict of interest provisions of policy 8305, will be subject to disciplinary action.

Legal References: [2 C.F.R. 200.318](#)(c)(1); [47 C.F.R. 54.503](#); FCC Sixth Report and Order 10-175; [G.S. 14-234](#), [-234.1](#); [133-32](#), [-33](#); [115C-47](#)(17a), [-47](#)(18); [133-32](#); Attorney General Opinion requested by L.W. Lamar regarding [G.S. 133-32](#), the Applicability to Attorneys and Law Firms Providing Professional Services to Local Boards of Education, dated May 13, 1993.

Cross References: Board Member Conflict of Interest (policy 2121), Ethics and the Purchasing Function (policy 6401/9100), Recruitment and Selection of Personnel (policy 7100), Federal Grant Administration (policy 8305)

Adopted: