

**TOPIC CATEGORY: BOARD OF EDUCATION**  
**NUMBER CATEGORY: 1000**  
**TITLE: CONFLICTS OF INTEREST**  
**NUMBER: 1115**

It is the policy of the Board that no public official or public employee, a member of that individual's immediate family, or business with which the individual is associated shall enter into a contract with the District except as permitted by and in accordance with the procedures prescribed by the Nebraska Political Accountability and Disclosure Act (the "NPADA") and this Policy. To the extent that there is any conflict between this Policy and the NPADA, the NPADA Act shall control.

## **1. Definitions**

- a. A "business with which a Board member is associated" includes a business:
  - i. In which the Board member is a partner, limited liability company member, director, or officer; or
  - ii. In which the Board member or a member of his or her immediate family is a stockholder of closed corporation stock worth one thousand dollars or more at fair market value or which represents more than a five percent equity interest or is a stockholder of publicly traded stock worth ten thousand dollars or more at fair market value or which represents more than ten percent equity interest.
- b. A business association shall be defined to include an individual as a partner, limited liability company member, director or officer, or a business in which the individual or member of the immediate family is a stockholder.
- c. "Immediate family member" or "member of the immediate family" means a child residing in an individual's household, a spouse of an individual, or an individual claimed by that individual or that individual's spouse as a dependent for federal income tax purposes.

## **2. Notification of Conflicts and Potential Conflicts.**

- a. Any Board member who would be required to take any action or make any decision in the discharge of his or her official duties that may cause financial benefit or detriment to him or her, a member of his or her immediate family, or a business with which he or she is associated, which is distinguishable from the effects of such action on the public generally or a broad segment of the public, shall take the following actions as soon as he or she is aware of such potential conflict or should reasonably be aware of such potential conflict, whichever is sooner:
  - i. Prepare a written statement describing the matter requiring action or decision and the nature of the potential conflict;

- ii. Deliver a copy of the statement to the Superintendent or Chief Financial Officer, who shall enter the statement into the public record of the next-held board meeting; and
  - iii. Abstain from participating or voting on the matter in which there is a conflict or potential conflict of interest.
- b. The Board member may choose to apply to the Nebraska Accountability and Disclosure Commission for an opinion as to whether a conflict of interest exists.

### **3. Contracts with the District**

- a. No Board member, member of his or her immediate family, or business with which the Board member (or his or her immediate family) has a business association, is permitted to enter into any contract valued at \$2,000.00 or more, in any one year, with the District, other than employment contracts under the conditions set forth below, unless the contract is awarded through an open and public process which includes prior public notice and subsequent availability for public inspection, during the regular office hours of the administrative office of the District, of the proposals considered and the contract awarded. No contract shall be divided for the purpose of evading the requirements of this policy.
- b. The existence of any conflict of interest in any contract in which a Board member has an interest and in which the District is a party, or the failure to make public the Board member's interest, may render a contract null and void.
- c. Members of the Board of Education shall abstain from voting on matters on which they, or a member of their immediate family, have a business association with a person or entity involved in a contract or where the board member, or a member of his or her immediate family, would receive a fee or commission as a result.
- d. The prohibition in this Section 3 does not apply if the contract appears on the agenda of a Board meeting, the Board member notifies the Superintendent as soon as the Board member becomes aware of the conflict, and:
  - i. Makes a declaration on the record at a public Board meeting of the nature and extent of his or her interest prior to the Board's consideration of the matter;
  - ii. Abstains on voting on the granting or denying of a contract, making payments pursuant to a contract, or accepting performance of work under a contract, or similar matters relating to a contract, except that if the number of members of the Board declaring an interest in the contract would prevent the Board, with all members present, from securing a quorum on the issue, then all members may vote on the matters; and

- iii. Takes no action for the Board or the District as to inspection or performance under a contract in which he or she has an interest.
- e. The receiving of deposits, cashing of checks, and buying and selling of warrants and bonds of indebtedness of the District by a financial institution shall not be considered a contract for purposes of this section. The ownership of less than 5% of the outstanding shares of a corporation shall not constitute an “interest” under this Policy.

#### **4. Employment**

- a. No Board member shall be employed under contract with the District as a certified staff member or administrator at any time while serving on the Board.

#### **5. Employment of Immediate Family of Board Members**

- a. Each Board member shall make a full disclosure of any immediate family member employed by the District prior to or as soon as reasonably possible after he or she is elected to the Board.
- b. No member of the Board shall enter into or execute on behalf of the District any contract with any teacher or administrator related to him or her, or to the majority of the board, by blood or marriage.
- c. If a person in a Board member's immediate family is an employee of the District, the Board member shall abstain from voting on any employment matter or other issue particular to his or her immediate family member. The Board member may vote on a matter that is generally applicable to:
  - i. all employees; or
  - ii. all employees within a classification, and which does not single out the member of his or her immediate family for the action.
- d. District Hiring of Immediate Family Members. A Board member may recommend for employment or supervise the employment of an immediate family member if:
  - i. The Board member does not abuse his or her position.
  - ii. Abuse of official position includes, but is not limited to, employment of an immediate family member:
    - 1. Who is not qualified for and able to perform the duties of the position;
    - 2. For any unreasonably high salary; or
    - 3. Who is not required to perform the duties of the position.

- iii. The Board makes a reasonable solicitation and consideration of applications for employment.
  - iv. The Board member makes a full disclosure on the record to the Board and to the secretary of the Board. If the secretary of the Board would be the individual filing the disclosure statement, the statement shall be filed with the president of the Board.
  - v. The Board approves the employment or supervisory position.
- e. Neither the Board nor an administrator or other employee of the District with supervisory responsibilities may terminate the employment of another employee so as to make funds or a position available for the purpose of hiring an immediate family member of a Board member.

## **6. Gifts, Loans, Contributions, Rewards, or Promises of Future Employment**

No Board member shall:

- a. Offer or give to the following persons anything of value, including a gift, loan, contribution, reward, or promise of future employment, based upon an agreement that a vote, official action, or judgment would be influenced thereby:
  - i. a public official, public employee, or candidate.
  - ii. a member of the immediate family of an individual listed in Subparagraph “i” above.
  - i. a business with which an individual listed in Subparagraph (i) or (ii) above is associated.
- b. Solicit or accept anything of value, including a gift, loan, contribution, reward, or promise of future employment based on an agreement that the vote, official action, or judgment of the Board member would be influenced thereby;
- c. Use or authorize the use of his or her office or any confidential information received through the holding of his or her office to obtain financial gain, other than compensation provided by law, for himself or herself, a member of his or her immediate family, or a business with which the individual is associated;
- d. Use District personnel, resources, property, or funds under his or her official care and control, other than in accordance with prescribed constitutional, statutory and regulatory procedures, or use such items, other than compensation provided by law, for personal financial gain; and

- e. Accept a gift of travel or lodging or a gift of reimbursement for travel or lodging if the gift is made so that a member of the Board member's immediate family can accompany the Board member in the performance of his or her official duties.

## **7. Conflict of Interest Relating to Campaigning or Political Issues**

- a. Except as provided in this Section 7, the Board shall not authorize the use of personnel, property, resources, or funds under its jurisdiction for the purpose of campaigning for or against the nomination or election of a candidate or the qualification, passage, or defeat of a ballot question.
- b. This does not prohibit the Board from making District facilities available to a person for campaign purposes if the identity of the candidate or the support for or opposition to the ballot question is not a factor in making the facilities available or a factor in determining the cost or conditions for use.
- c. This does not prohibit the Board from discussing and voting upon a resolution supporting or opposing a ballot question.
- d. This does not prohibit the Board, while legally seated as a body, from responding to specific inquiries by the press or the public as to the Board's opinion regarding a ballot question or from providing information in response to a request for information.
  - i. The Board may designate one or more members of its body, or one or more of its District administrators, to speak on behalf of the Board on specific occasions such as public meetings or legislative hearings.
  - ii. Any member of the Board may present his or her personal opinion regarding a ballot question or respond to a request for information related to a ballot question; but in so doing, the person should clearly state that the information being presented is his or her personal opinion and is not to be considered as the official position or opinion of the Board. However, this shall not be done during a time that the individual is engaged in his or her official duties.

## **8. Written Agreement to Adhere to Policy Requirements**

All Board members shall, at the June Board meeting held in even number years, signify in writing their understanding and acceptance of the requirements of this Policy. In the event of amendment to this Policy, an updated written agreement shall be required no later than the next following Board meeting.

**9. Recordkeeping**

- a. The Board secretary shall maintain a separate record of the following information for every contract entered into by the Board in which a Board member has an interest and for which disclosure was made pursuant to section 3.d. of this policy:
  - i. The names of the contracting parties.
  - ii. The nature of the interest of the Board member in question.
  - iii. The date that the contract was approved.
  - iv. The amount of the contract.
  - v. The basic terms of the contract.
- b. The information supplied relative to the contract shall be provided no later than ten (10) days after the contract has been signed by both parties. The ledger kept by the Board secretary shall be available for public inspection during normal working hours of the office in which it is kept.

Legal Reference: Statutes 49-1499.03, 49-14,102, 49-14,103, 49-14,103.01, 49-14,104 and 79-818.

POLICY ADOPTED: April 3, 1973

POLICY REVIEWED AND ADOPTED: December 1, 1986

POLICY AMENDED: November 2, 1998

POLICY AMENDED: February 17, 2015

POLICY AMENDED: May 17, 2021