

**Policy 203.6**

**BOARD MEMBERSHIP**

**203.6**

**CONFLICT OF INTEREST, NEPOTISM AND PROHIBITED ACTS**

The Kimball Public Schools Board of Education recognizes that statutes regarding conflicts of interest and nepotism bind it.

**1. Definitions:**

*Employee or Public Employee* - shall mean any employee of Kimball Public Schools.

*Board Member or Public Official* - shall mean any elected or appointed member of the school board of Kimball Public Schools.

*Immediate Family Member* - shall mean an employee or board members parent, spouse, child or any individual claimed by the employee or board member or their spouse as a dependent for federal income tax purposes.

*Business* - shall mean any corporation, partnership, limited liability company, sole proprietorship, firm, enterprise, franchise, association, organization, self employed individual, holding company, joint-stock company, receivership, trust, activity, or entity, or other organization or group of persons acting jointly.

*Business Association or "Business with which the Individual is Associated"* - shall mean any business: (1) in which the individual is a partner, member, director, or officer, Or (2) in which the individual or a member of the individual's immediate family is a stockholder of closed corporation stock worth \$1,000 or more at fair market value or represents more than a 5% equity interest or is a stockholder of a publicly traded stock worth \$10,000 or more at fair market value or which represents more than a 10% equity interest.

**2. Contracts Generally:**

A Kimball Public Schools employee or a member of the Kimball Board of Education may not have an "interest" in a contract to which the Board or anyone for its benefit is a party, unless certain disclosure, reporting and other requirements are met. An interest in a contract exists when an employee, a board member, or one of their immediate family members: (a) has a business association with the business involved in the contract, or (b) will receive a direct pecuniary fee or commission as a result of the contract. If such an interest exists, the employee or board member must:

(1) Make a declaration on the record to the Board (e.g. by submitting a "Disclosure of Interest Statement" or other appropriate form before the board votes on the contract),

(2) not vote on the matter, except as provided by law, and (3) not act for the board as to inspection or performance under the contract.

If the contract is directly with an employee or board member, the following additional requirements apply: (1) the contract must be the result of applicable competitive bidding requirements and (2) the contract must be fair and reasonable to the Board of Education.

If the contract is for \$2,000 or more per year, and is with either a board member or an employee of the school district, or an immediate family member or a business of the board member or an employee, the contract must: (1) be awarded through an open and public process and (2) the contract and other proposals considered must be available for public inspection.

Within ten (10) days of the contract being entered into or signed by all parties, the Superintendent or designee is to post to a ledger or complete on the applicable "Conflicts Ledger" portion of the sheet or form submitted, setting forth:

- (1) Names of the contracting parties;
- (2) Nature and interest of the member/employee in question;
- (3) Date that the contract was approved by the school district;
- (4) Amount of the contract; and
- (5) Basic terms of the contract.

The forms for meeting these requirements are available from the Superintendent's office. The Conflicts Ledger will be kept by the Superintendent and will be available for public inspection during the normal working hours of the district's office. The Conflicts Ledger will be maintained for five years from the board member's last day in office.

Open accounts established by the school district with any business in which an employee or board member has an interest are contracts covered law and this policy. A disclosure of interest statement must be filed within ten (10) days after such account is opened. Thereafter, the Superintendent or designee shall maintain a running account ledger of amounts purchased on the open account. Purchases made from petty cash or a petty cash fund is not subject to the law or this policy.

The receiving of deposits, cashing of checks, and buying and selling of warrants and bonds of indebtedness of this school district by a financial institution is not considered a contract under the law or for purposes of this policy. Contracts involving one hundred dollars or less are hereby declared to be exempt from the conflict of interest provision.

### **3. Employment Contracts:**

1. A member of the Board of Education or an administrator or other employee with supervisory responsibilities may employ or recommend or supervise the employment of an immediate family member if:
  - a. He or she does not abuse his or her official position (for this purpose, "abuse" means employing an immediate family member: who is not qualified for and able to perform the duties of the position; at an unreasonably high salary; or who is not required to perform the duties of the position);
  - b. He or she makes a full disclosure on the record to the Board of Education and a written disclosure to the Superintendent and/or Secretary of the Board; and,
  - c. The Board of Education approves the employment or supervisory position.
  
2. No immediate family member of a Board of Education or an administrator or other employee with supervisory responsibilities shall be employed by the School District:
  - a. Without first having made a reasonable solicitation and consideration of applications for such employment.
  - b. Who is not qualified for and able to perform the duties of the position.
  - c. For any unreasonably high salary.
  - d. Who is not required to perform the duties of the position.
  
3. Neither the Board of Education nor an administrator or other employee with supervisory responsibilities shall terminate the employment of another employee so as to make funds or a position available for the purpose of hiring an immediate family member.
  
4. This policy shall not apply to an immediate family member of a member of the Board of Education or an administrator or other employee with supervisory responsibilities who was previously employed in a position with the School District prior to the election or appointment of the Board member or employee. Prior to or as soon as reasonably possible after the official date a Board member takes office or an employee assumes his or her responsibilities, such Board member, administrator or other employee with supervisory responsibilities shall make a full disclosure of any immediate family member employed in a position subject to this policy.
  
5. A member of the Board of Education may not be engaged in a contract to teach with the Kimball Public School District. Nor shall a member of the Board of Education cast a vote in favor of the election of any employee when the Board member is related by blood or marriage to such employee.

**4. Prohibited Acts:**

No employee, board member, immediate family member or a business of the board member or employee shall solicit or accept 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 of any public official or public employee will be influenced thereby.

No public official or public employee shall use that person's office or any confidential information received through the holding of the office to obtain financial gain for himself, herself, a member of his or her immediate family, or a business with which the individual is associated.

No public official or public employee shall use personnel, resources, property, or funds under that individual's official care and control, other than in accordance with or as permitted by law, for personal financial gain.

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Conflict of Interest

49-1493 to 49-14,104

79-818

Neb. Rev. Stat. §§ 49-1499.04; ' 49-1499.05; 79-544; and 79-818

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