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## EXPLANATION: STAFF CONFLICT OF INTEREST

Senate Bill 719 (2014) modified the conflict of interest provisions to allow all employees of all school districts to do business with the district where they are employed subject to notice and bidding requirements and statutory limitations. Previously, the law prohibited employees of districts in first-class counties from selling personal property to the district where they were employed, but allowed district employees from second-, third- and fourth-class counties to do so. Now there is no distinction. For that reason, MSBA will no longer have two versions of this policy.

In addition, Senate Bill 719 corrected a situation allowing "administrative and executive employees" to legally engage in business transactions with their employing districts while excluding other employees from doing so. The notice and bidding requirements applicable to all employees have been extended to apply to employees' spouses, dependent children in their custody and businesses with which the employees are associated.

MSBA has added several items to the "Additional Prohibitions" section and one to the "Administrative and Executive Employees" section. *Except for the statements about copyright, tutoring and not accepting gifts, these provisions were already part of the conflict of interest laws but had not been included in this policy.*

MSBA modified the statement about gifts from students to allow for a situation where the members of a team, club or other student group all contribute a small amount of money to purchase a gift for a coach or sponsor. At only five dollars per student, this could easily break the previous \$50 limit, so MSBA has raised the limit to \$100.

This policy now includes a section intended to remind superintendents, chief financial officers and district general counsel—if the district employs these persons—to annually fill out a personal financial disclosure statement.

*MSBA recommends that copies of this document be routed to the following areas because the content is of particular importance to them. The titles on this list may not match those used by the district. Please forward copies to the district equivalent of the title indicated.*

	Board Secretary	X	Business Office		Coaches/Sponsors
	Facility Maintenance		Food Service		Gifted
X	Human Resources	X	Principals		Library/Media Center
	Health Services		Counselor		Special Education
	Transportation		Public Info/Communications		Technology

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## STAFF CONFLICT OF INTEREST

*(Districts Including Any Portion of a First-Class County)*

Employees of the Board will not engage in any activity that raises a reasonable question of conflict of interest with their duties and responsibilities as members of the Camdenon R-III School District staff and may be disciplined or terminated for doing so. All employees of the Camdenon R-III School District shall adhere to the laws regarding conflict of interest and avoid situations where their decisions or actions in their employment capacities violate the provisions of this policy or conflict with the mission of the district.

### Definitions

*Business with Which an Employee Is Associated* – For the purposes of this policy, a “business with which a person an employee is associated” means:

1. A sole proprietorship owned by the employee, his or her spouse or any dependent children in the person's custody.
2. A partnership or joint venture in which the employee or spouse is a partner, other than as a limited partner of a limited partnership, and any corporation or limited partnership in which the employee is an officer or director or of which the employee, or his or her spouse or dependent children in the employee's custody, whether singularly or collectively, own more than ten percent of the outstanding shares of any class of stock or partnership units.
3. Any trust in which the employee is the settlor or trustee, or in which the employee, spouse or dependent children, singularly or collectively, are beneficiaries or holders of a reversionary interest of ten percent or more of the corpus of the trust.

*Special Monetary Benefit* – Being materially affected in a substantially different manner or degree than the manner or degree in which the public in general will be affected or, if the matter affects only a special class of persons, then affected in a substantially different manner or degree than the manner or degree in which such class will be affected.

### Sale, Rental or Lease of Personal Property (Property other than Real Estate)

No employee of the district shall sell, rent or lease any personal property to the school district for consideration in excess of five hundred dollars' value per transaction or five thousand dollars' value per year to him or her, to his or her spouse, to a dependent child in his or her custody or to any business with which he or she is associated unless the transaction is made pursuant to an award on a contract let or sale made after public notice and competitive bidding, provided that the bid or offer accepted is the lowest received.

### **Sale, Rental or Lease of Real Property (Real Estate)**

No employee of the district shall sell, rent or lease any real property to the school district for consideration in excess of five hundred dollars' value per transaction or five thousand dollars' value per year to him or her, to his or her spouse, to a dependent child in his or her custody or to any business with which he or she is associated unless the transaction is made pursuant to an award on a contract let or sale made after public notice.

### **Independent Contractor Services**

No employee of the district shall perform service as an independent contractor for consideration in excess of five hundred dollars' value per transaction or five thousand dollars' value per year to him or her, to his or her spouse, to a dependent child in his or her custody or to any business with which he or she is associated unless the transaction is made pursuant to an award on a contract let or sale made after public notice and competitive bidding, provided that the bid or offer accepted is the lowest received.

### **Additional Prohibitions**

The following activities are explicitly prohibited:

1. ~~In accordance with law, employees or businesses with which they are associated are prohibited from selling or providing to the district personal property, including goods and supplies.~~ Employees may not act or refrain from acting by reason of any payment, offer to pay, promise to pay or receipt of anything of actual pecuniary value paid or payable, or received or receivable, to themselves or any third person. This includes a gift or contribution made or received in relationship to or as a condition of the performance of an official act.
2. Employees shall not favorably act on any matter that is specifically designed to provide a special monetary benefit to them, their spouse or any dependent children in their custody.
3. Employees will not use their decision-making authority for the purpose of obtaining a financial gain that materially enriches them, their spouse or any dependent children in their custody by acting or refraining from acting for the purpose of coercing or extorting anything of actual pecuniary value.
4. Employees shall not offer, promote or advocate for a political appointment in exchange for anything of value to any political subdivision.
25. An eEmployees will not participate in any manner, attempt to directly or indirectly, in which the employee attempts to influence any district decision of the district when the employee

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- knows the result of the decision may be the district's acceptance of the performance of a service or the sale, rental or lease of any property to the district and the employee, his or her spouse, dependent children in his or her custody or any business with which the employee is associated will benefit financially.
36. An employee will not use his or her position with the district to influence purchases made by students or their parents/guardians resulting that result in the financial gain of the employee, the employee's spouse, the employee's dependent children of the employee or businesses with which the employee is they are associated, unless authorized by the Board of Education.
47. An employee will not trademark, patent, copyright or claim ownership interest in any inventions, publications, ideas, processes, compositions, programs, images or other intellectual property created by the employee in their his or her capacity as an employee of the district, unless authorized by the Board of Education. The district will not pay royalties, licensing fees or other fees to employees or businesses with which they are associated for the use of intellectual property an employee creates in his or her capacity as an employee of the district to the employee or businesses with which the employee is associated created by employees in their employment capacities, unless authorized by the Board of Education.
58. An employee will not receive compensation, other than the compensation received from the district, for tutoring students currently enrolled in a class the employee teaches unless authorized by the Board of Education. Any private tutoring of students for a fee on district property is subject to facility usage policies and procedures. Any professional staff member wishing to use district facilities to provide private lessons or private tutoring for a fee must make a request to the director of the evening programs located in the vo-tech school prior to any lessons or tutoring.
69. Employees will not accept gifts of substantial value from vendors, individual students or parents/guardians unless authorized by the Board of Education or the employee's immediate supervisor. For the purposes of this policy, a gift has a "substantial value" if it is worth more than \$50100.
7. ~~Employees will not use district property, including the district's intellectual property, or confidential information obtained in their capacity as employees of the district to financially benefit themselves or any other person or business unless authorized by the Board of Education.~~

### Use of Confidential Information

Employees shall not use or disclose confidential information obtained in the course of or by reason of their employment in any manner with intent to result in financial gain for themselves, their spouses, dependent children in their custody, any business with which they are associated or any other person. Even when there is no financial gain involved, misuse of confidential information or failure to keep information confidential violates Board policy and could also violate state and federal law.

### Administrative ~~or~~ and Executive Employees

In addition to the above-listed requirements, the following restrictions apply to all administrative ~~or~~ and executive employees in the school district, in accordance with law. Administrative ~~or~~ and executive employees of the district may **not**:

- ~~1. Provide services to the district as independent contractors, in addition to the compensation provided for the performance of their official duties. If the compensation for such services exceeds \$500 per transaction or \$5,000 per year, the district must first give public notice and competitively bid the services, and the district employee's bid must be the lowest received.~~
- ~~2. Sell, rent or lease real estate to the district. Public notice of the transaction must be given prior to execution if the payment the employee receives exceeds \$500 per transaction or \$5,000 per year.~~
31. **Not** receive compensation or payment for services from any person, firm or corporation, other than the compensation provided by the district for the performance of their official duties, to attempt to influence a decision by the district.
42. **Not** perform any service for compensation by which they attempt to influence a decision of the district for one year after the termination of their employment with the district.

### Financial Disclosure

The superintendent, chief purchasing officer and general counsel, if employed full-time by the district, will file an annual disclosure statement with the Missouri Ethics Commission in accordance with law and Board policy BBFA.

### Nepotism

No administrator or any other person in a supervisory position shall have under his or her direct supervision any employee whose relationship is of first or second degree either by blood or marriage.

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In the event of a promotion which brings about the conditions described above, the employee of lower rank shall be transferred to another position for which he or she is qualified and where a vacancy has occurred or the employee of lower rank shall be assigned to another administrator for the purpose of evaluation and recommendation for employment.

\* \* \* \* \*

***Note: The reader is encouraged to check the index located at the beginning of this section for other pertinent policies and to review administrative procedures and/or forms for related information.***

Adopted: 08/08/1994

Revised: 09/13/1999; 12/12/2005;

Cross Refs: BBFA, Board Member Conflict of Interest and Financial Disclosure  
DA, Fiscal Responsibility  
DJF, Purchasing  
DN, Surplus District Property  
KG, Community Use of District Facilities

Legal Refs: §§ 105.450 - .458, .462, .466 - .467, .472, 168.114, .126, 171.181, RSMo.

Camdenton R-III School District, Camdenton, Missouri