

CONFLICTS OF INTEREST

Introduction

In the course of business, situations may arise in which a Topeka Public Schools (TPS) decision maker has a conflict of interest, or in which the process of making a decision may create an appearance of a conflict of interest.

All Board members and employees have an obligation to:

- 1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests and those of TPS in dealing with outside entities or individuals;**
- 2. Disclose real and apparent conflicts of interest; and**
- 3. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict.**

Definition of Conflict of Interest

All Board members and employees owe a duty of loyalty to TPS. This duty necessitates that in serving TPS they act solely in the interests of TPS, not in their personal interests or in the interests of others.

The persons covered under this policy shall hereinafter be referred to as "interested persons." Interested persons include all Board members and employees, as well as persons with the following relationships to Board members and employees:

- 1. Spouses or domestic partners;**
- 2. Brothers and sisters;**
- 3. Parents, children, grandchildren, and great-grandchildren;**
- 4. Spouses of individuals listed in 2 and 3; and**
- 5. Corporations, partnerships, limited liability companies (LLCs), and other forms of businesses in which an employee or director, either individually or in combination with individuals listed in 1, 2, 3, or 4, collectively possess a 5% or more ownership or beneficial interest.**

Conflicts of interest arise when the interests of an interested party may be seen as competing with those of TPS. Conflicts of interest may be financial (where an interested party benefits financially directly or indirectly) or non-financial (e.g., seeking preferential treatment, using confidential information).

A conflict of interest arises when a Board member or employee involved in making a decision is in the position to benefit, directly or indirectly, from his or her dealings with TPS or person conducting business with TPS. (A potential conflict of interest exists when the Board member or

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employee, or his or her immediate family {spouse, parent, child, brother, sister and spouse of parent, child, brother, or sister} owes/receives more than 1% of the benefiting business/profits.)

Examples of conflicts of interest include, but are not limited to, situations in which a Board member or employee:

1. Negotiates or approves a contract, purchase, sale or lease on behalf of TPS and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or services;
2. Negotiates or approves a contract, sale, or lease on behalf of TPS and has a direct or indirect interest in, or receives personal benefit from, the entity or individual receiving the goods or services;
3. Employs or approves the employment of, or supervises a person who is an immediate family member of the employee;
4. Uses TPS facilities, other assets, employees, or other resources for personal gain; and
5. Receives a substantial gift from a vendor, if the employee is responsible for initiating or approving purchases from that vendor.

Honoraria Acceptance

A TPS employee shall not accept an honorarium for an activity conducted where TPS reimbursed travel, work time, or resources are used or where the activity can be construed as having a relationship to the employee's position with TPS; such activity would be considered official duty on behalf of TPS. A relationship exists between the activity and the employee's position with TPS if the employee would not participate in the activity in the same manner or capacity if they did not hold their position with TPS. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during regular non-working hours or while on annual leave if the following conditions are met:

- All expenses are the total responsibility of the employee or the sponsor of the activity in which the employee is participating; and
- The activity has no relationship to the employee's TPS duties.

Nothing in this policy shall be interpreted as preventing the payment to TPS by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to TPS (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to TPS should be deposited to TPS account and an appropriate entry should be made coded to the same program or department to which the employee's corresponding time was charged.

Disclosure Requirements

A TPS Board member or employee who believes that he or she may be perceived as having a

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conflict of interest in a discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure.

Therefore, TPS requires the following:

1. At the inception of employment or volunteer service to TPS, and on an annual basis thereafter, the Business Office shall distribute a list of all contractors with whom TPS has transacted business at any time during the preceding year, along with a copy of the disclosure statement to all members of the Board of Education, Superintendent, Leadership Team and employees with purchasing and/or hiring responsibilities or authority. Using the disclosure form these individuals shall inform, in writing and with a signature, the Deputy Superintendent of Operations or the General Director of Fiscal Services (as Chairman of the Finance Committee), of all potential reportable conflicts.
2. During the year, these individuals shall submit a signed, updated disclosure form if any new potential conflict arises.
3. The Deputy Superintendent of Operations shall review all forms completed by employees, and the Finance Committee shall review all forms completed by Board members, Superintendent and the Leadership Team, and determine appropriate resolution in accordance with the next section of this policy.
4. Prior to management, Board or Finance Committee action on a contract or transaction involving a conflict of interest, a Board member or employee having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.
5. A Board member or employee who plans not to attend a meeting at which he or she has a reason to believe that the management, Board, or Finance Committee will act on a matter in which the person has a conflict of interest shall disclose to the Deputy Superintendent of Operations all facts material to the conflict of interest. The Deputy Superintendent of Operations shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
6. A person who has a conflict of interest shall not participate in or be permitted to hear management's, the Board's, or the Finance Committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter.
7. A person who has a conflict of interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote and abstention from voting shall be reflected in the minutes of the meeting.

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8. If required by Federal awarding agencies, TPS will notify those agencies in writing of any *potential* conflict of interest. (2 CFR Part 200.112, *Conflict of interest*)

Resolution of Conflicts of Interest

All real or apparent conflicts of interest shall be disclosed to the Deputy Superintendent of Operations or the General Director of Fiscal Services (Chairman of the Finance Committee). Conflicts shall be resolved as follows:

- The Finance Committee shall be responsible for making all decisions concerning resolutions of conflicts involving Board members, the Superintendent and Leadership Team.
- The Deputy Superintendent of Operations shall be responsible for making all decisions concerning resolutions of conflicts involving employees below the Leadership Team level, subject to the approval of the Finance Committee.

A Board member or employee may appeal the decision that a conflict (or appearance of conflict) exists as follows:

- An appeal must be directed to the President or Vice-President of the Board of Education.
- Appeals must be made within 30 days of the initial determination.
- Resolution of the appeal shall be made by vote of the full Board of Education.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the board.

Disciplinary Action for Violations of This Policy

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to TPS, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Disciplinary procedures shall agree with any procedures included in TPS's applicable employee handbook or the individual's employee contract.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any employee who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.