

# BOARD of EDUCATION Fort Smith Public Schools



## **ACTION**

**TITLE:** 2017 Ethics Disclosures

**DATE:** September 18, 2017

**RESPONSIBLE ADMINISTRATOR:** Charles Warren, CFO

### **BACKGROUND/CONSIDERATIONS:**

§ 6-24-101 et seq. and the ADE rules adopted pursuant to this section of state law regulate the issue known as “Ethics Disclosures”. Ethics disclosure promotes the transparency of the District entering into transactions with entities that are owned or controlled by District employees, the employee’s household, and for some employees, the employee’s family.

A summary of these regulations is stated as such:

Employees and the employee’s household must disclose any “financial interest” in a business that may be contracted by the District. The disclosure must be approved by the Board in the form of a resolution. If the transaction(s) add up to more than \$10,000, ADE must approve of the contact and/or transaction.

Employees responsible for district-wide purchasing must also disclose a family member’s “financial interest” in a business that may be contracted by the District. This disclosure must also be approved by the Board in the form of a resolution. If the transaction(s) add up to more than \$10,000, ADE must approve of the contact and/or transaction.

Fort Smith Public Schools desires to provide further transparency and ask that district administrators follow the guidelines that ADE reserves for employees responsible for district-wide purchasing.

School Board members are also required to make the disclosures similar to the employees responsible for district-wide purchasing.

As disclosures are provided by new employees or by employees acquiring new financial interests in a business, disclosures are brought to the Board for review and approval. Every two years, the Board should review previously approved disclosures. Disclosures requiring ADE approval are to be reviewed and approved every two year. This month marks this two year benchmark.

Therefore, the Administration provides the following documents for your review.

The list titled “Continued Disclosure Summary List” is a list of disclosures previously approved by the Board. This list is merely informative and no resolution is required. Additionally, no formal reading is required at a Board meeting.

The listed titled “Contract Disclosure Summary List” is a list of disclosures that should be reviewed for Board approval. These disclosures will need to be read aloud at the September 25<sup>th</sup> Board meeting and approved by the School Board in a resolution. The resolution is listed as “Resolution – New Disclosures”. The reading of the resolution can be waived, but the reading aloud of each employee and each business cannot be waived.

The list title “Disclosure Summary for ADE List” is a list of disclosures that require a renewal by the School Board. These disclosures will need to be read aloud at the September 25<sup>th</sup> Board meeting and approved by the School Board in specific resolutions. These disclosure will be sent to ADE for review and approval. The resolutions are listed as “Resolutions for ADE List”. The reading of these resolutions can be waived, but the reading aloud of each employee and each business cannot be waived.

### **RECOMMENDATION:**

The Administration recommends that the Board review the disclosures summarized on the “Continued Disclosure Summary List”. No board action is needed regarding this list.

The Administration recommends that the Board review and approve the disclosures in the “Contract Disclosure Summary List” and the “Disclosure Summary for ADE List”.

If the Board agrees, the Board should recognize Charles Warren to read the list of employees and businesses aloud.

Once read aloud and if the Board agrees, the reading of the resolution could be waived in a motion that would read:

***Move to waive reading of the attached resolutions approving new ethics disclosures.***

Once approved and if the Board agrees, the next motion would read:

***Move to approve the ethics disclosures read aloud and authorize the Administration to forward all required ethics disclosures to ADE for approval.***