

Document Status: Draft Update

BOARD OF EDUCATION

2:100 Board Member Conflict of Interest

No Board of Education member shall: (1) have a beneficial interest directly or indirectly in any contract, work, or business of the District unless permitted by State or federal law; (2) solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to agreements or contracts with the District. Situations in which the interest is not substantial or the gift is an unsolicited item of nominal value must comply with State law and Board policy 2:105, *Ethics and Gift Ban*; use his/her position as a Board member to benefit either himself/herself or any other individual or agency apart from the total interest of the School District; or (3) when a member of the Board determines that the possibility of a personal interest conflict exists, s/he should, prior to the matter being considered, disclose his/her interest (such disclosure shall become a matter of record in the minutes of the Board), and thereafter shall abstain from participation in both the discussion of the matter and the vote.

Board members must annually file a *Statement of Economic Interests* as required by the Illinois Governmental Ethics Act. Each Board member is responsible for filing the statement with the county clerk of the county in which the District's main office is located by May 1.

Federal and State Grant Awards[PRESSPlus1](#)

No Board member shall participate in the selection, award, or administration of a contract supported by a federal award or State award governed by the Grant Accountability and Transparency Act (GATA) (30 ILCS 708/) if he or she has a real or apparent conflict of interest. A conflict of interest arises when a Board member or any of the following individuals has a financial or other interest in the entity selected for the contract:

1. Any person that has a close personal relationship with a Board member that may compromise or impair the Board member's fairness and impartiality, including a member of the Board member's immediate family or household;
2. The Board member's business partner; or
3. An entity that employs or is about to employ the Board member or one of the individuals listed in one or two above.

LEGAL REF.:

5 ILCS 420/4A-101.5, 420/4A-105, 420/4A-106.5, and 420/4A-107.

30 ILCS 708/, Grant Accountability and Transparency Act.

50 ILCS 105/3.

105 ILCS 5/10-9.

2 C.F.R. §200.318(c)(1).

CROSS REF.: 2:105 (Ethics and Gift Ban), 4:60 (Purchases and Contracts), 5:120 (Employee Ethics; Conduct; and Conflict of Interest)

PRESSPlus Comments

PRESSPlus 1. Updated in response to the Ill. State of Education's *Procurement and Purchasing Checklist* and the Grant Accountability and Transparency Act (GATA) (30 ILCS 708/). See the PRESS Issue 102 Update Memo for more information.

The term *participate* is not specifically defined in the federal regulation; consult the board attorney regarding other actions the board can take to limit the influence of a conflicted board member, beyond abstention from the board's evaluation and vote on a contract. 2 C.F.R. §200.318(c)(1) prohibits employees, officers, or agents of a school district from participating in the selection, award, or administration of a contract supported by a federal award or eligible State grants through GATA if they have a *real or apparent conflict of interest*. Authoritative sources and guidance regarding conflict of interest and financial disclosure are provided through the GATA Resource Library at www.grants.illinois.gov. See also the Ill. State Board of Education's *Procurement and Purchasing Checklist* at: www.isbe.net/Pages/Audit-and-Monitoring-Review-Requirements-and-Tools.aspx.

The law does not specifically define an *apparent conflict of interest*. For a discussion of what an *apparent conflict of interest* may mean, see the discussion about avoiding the *appearance of impropriety* in the Ill. Council of School Attorneys' publication, **Answers to FAQs, Conflict of Interest and Incompatible Offices**, https://www.iasb.com/IASB/media/Documents/COI_FAQ.pdf.

Issue 102, October 2019