

# DRAFT UPDATE

Lincolnwood School District 74

2:100

## Board of Education

### 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; or (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.

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

LEGAL REF.: 5 ILCS 420/4A-101, 420/4A-105, 420/4A-106, and 420/4A-107.  
50 ILCS 105/3.  
105 ILCS 5/10-9.  
2 C.F.R. §200.318(c)(1).

CROSS REF.: 5:120-1 (Limitations on Accepting Gifts), 4:60 (Purchases and Contracts), 5:120 (Employee Ethics; and Conduct; and Conflict of Interest)

ADOPTED: September 10, 2002

REVISED: January 11, 2005, October 5, 2010

#### Commented [APowell1]:

Updated in response to the federal regulations requiring written standards of conduct covering conflicts of interest and governing the actions of those engaged in the selection, award, and administration of contracts in compliance with 2 C.F.R. §200.318.

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 if they have a real or apparent *conflict of interest*. Conflicts of interest arise when one of the following individuals has a financial or other interest in the entity selected for the award:

- School district employee, officer, or agent;
- Any member of the employee, officer, or agent's immediate family;
- The employee, officer, or agent's business partner; and
- An organization that employs or is about to employ one of the above.

For a discussion of what an *apparent conflict of interest* means, see the discussion about avoiding the *appearance of impropriety* discussed in the Ill. Council of School Attorneys' publication, **Answers to FAQs, Conflict of Interest and Incompatible Offices**, [www.iasb.com/law/conflict.cfm](http://www.iasb.com/law/conflict.cfm).

Issue 94, March 2017

#### Commented [APowell2]:

The federal rule underlying this text provides flexibility for school districts to "set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value," along with "disciplinary actions to be applied for violations." Referring to sample policy 2:105, *Ethics and Gift Ban* for these standards provides clarity and consistency. Policy 2:105, *Ethics and Gift Ban* refers to **Limitations on Receiving Gifts** in the Ethics Act at 5 ILCS 430/10-10 – 10-30, along with discussion of the specific penalties available under the Ethics Act at 5 ILCS 430/50-5 in its **Enforcement** subhead.

Issue 94, March 2017