



429 Conflict of Interest

I. Purpose

The purpose of this policy is to observe state laws regarding conflicts of interest and to ensure that employees act in a fashion designed to avoid any conflict of interest or the appearance of impropriety.

II. General Statement

Situations may arise in which a Hastings Public Schools-ISD 200 employee has a conflict of interest; or acts in a manner which may create an appearance of a conflict of interest

All district employees have an obligation to:

- a. Avoid conflicts of interest, or the appearance of conflicts of interest, between personal interests and those of the district in dealing with outside entities or individuals.
- b. Disclose real and apparent conflicts of interest to the Superintendent.
- c. Refrain from participation in any decisions on matters that involve a real conflict of interest or the appearance of a conflict of interest.

III. What Constitutes a Conflict of Interest

All district employees owe a duty of loyalty to the district. This duty necessitates that in serving the district they act solely in the interests of the district, including district students and staff, and 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 district employees, as well as persons with the following relationships to district employees:

- a. Spouses or domestic partners
- b. Brothers and sisters
- c. Parents, children, grandchildren, and great-grandchildren
- d. Spouses of individuals listed in A and B
- e. Corporations, partnerships, limited liability companies (LLCs), and other forms of businesses in which an employer, either individually or in

combination with individuals listed in A, B, C, or D, collectively possess a 35% or more ownership or beneficial interest.

- f. Other relationships such as close friendships may also cause a conflict of interest. Each situation must be evaluated for actual or potential conflict of interest.

Conflicts of interest arise when the interests of an interested party may be seen as competing with those of the district. Conflicts of interest may be:

- a. Financial - where an interested party benefits financially directly or indirectly from its relationship with the district.
- b. Non-Financial - seeking preferential treatment from the district or using confidential information received from the district.

A conflict of interest arises when a district employee involved in making a decision on behalf of the district or their immediate family, is in the position to benefit, directly or indirectly, from the employee's decision. Immediate family is the following who owns/receives more than 1% of the benefiting business/profits (spouse, parent, child, brother, sister and spouse of parent, child, brother or sister).

IV. Examples of Conflicts of Interest

- a. Negotiates or approves a contract, purchase, sale, or lease on behalf of the district and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing the goods or service to the district.
- b. Employs, approves the employment of, or supervises a person who is an immediate family member of the employee.
- c. Sells products or services in competition with the district.
- d. Uses the district's facilities, supplies, assets, employees, or other resources for personal gain.
- e. Receives a gift valued at more than \$5 from a vendor, if the employee is responsible for initiating or approving purchases from that vendor.
- f. If a board member is a member of a financial institution that does business with the school district.

V. Honoraria Acceptance

A Hastings Public Schools-ISD 200 employee shall not accept an honorarium for an activity conducted where district-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 the district. Such activity would be considered official duty on behalf of the district. A relationship exists between the activity and the employee's position with the district if the employee would not participate in the activity in the same manner or capacity if he

or she did not hold his or her position with the district. 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 leave if the following conditions are met:

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

Nothing in this document shall be interpreted as preventing the payment to the district by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to the district (in lieu of an honorarium to the individual) for the services of the employee. Any such payments made to the district should be deposited to the district's account.

VI. Disclosure Requirements

A district employee who believes that he or she has a conflict of interest or may be perceived as having a 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, Hastings Public Schools-ISD 200 requires the following:

- a. The Superintendent or designee shall review all potential conflicts reported by employees, and the school board shall review all potential conflicts reported by the Superintendent and determine appropriate resolution in accordance with the next section.
- b. If required by Federal awarding agencies, Hastings Public Schools-ISD 200 will notify those agencies in writing of any *potential* conflict of interest. (2CFR Part 200.112)

VII. Resolution of Conflicts of Interest

Every district employee shall disclose any real, apparent, or potential conflicts of interest to the Superintendent or designee of Hastings Public Schools-ISD 200.

Conflicts shall be resolved as follows:

- a. The board or Superintendent shall resolve or remedy conflicts in accordance with Minnesota law and in the district's best interests. Said resolution may include, but is not limited to, having the employee/personnel abstain from any decision-making involving the underlying decision which led to the conflict of interest or potential conflict of interest.

1. The chair of the board shall be responsible for identifying resolutions involving the Superintendent.
2. The Superintendent or designee shall be responsible for making all decisions concerning resolutions of conflicts involving district employees.

VIII. Violations of Conflict of Interest

Failure to comply with the standards contained in this manual could lead to disciplinary action.

Legal References:

Cross References: *Hastings Public Schools-ISD 200 Accounting & Financial Procedures Manual.*

Adopted: *INDEPENDENT SCHOOL DISTRICT 200*

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