

EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CONFLICT OF INTEREST

DBD
(LOCAL)

Note: For conflicts of interest and gifts and gratuities related to federal grants and awards, see CB and CBB.

**Disclosure —
General Standard**

An employee shall disclose to his or her immediate supervisor a personal financial interest, a business interest, or any other obligation or relationship that in any way creates a potential conflict of interest with the proper discharge of assigned duties and responsibilities or with the best interest of the District.

Business Entity

A business entity includes a sole proprietorship, firm, corporation, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

**Potential Conflict of
Interest**

Business Entity

A potential conflict of interest exists if a person has a substantial interest in a business entity that would experience an economic effect by an action of the Board or the District distinguishable from its effect on the public.

Real Property

A potential conflict of interest exists if a person has a substantial interest in real property for which it is reasonably foreseeable that an action of the Board or the District will have an economic effect on the value of the property distinguishable from its effect on the public.

Substantial Interest

Business Entity

A person has a substantial interest in a business entity if one of the following exists:

1. Ownership of 10 percent or more of the voting stock or shares of the business entity.
2. Ownership of 10 percent or more of the fair market value of the business entity.
3. Ownership of \$15,000 or more of the fair market value of the business entity.
4. Funds received from the business entity exceeding 10 percent of the person's gross income for the previous year.

Real Property

A person has a substantial interest in real property if the person has an equitable or legal ownership with a fair market value of at least \$2,500.

Specific Disclosures

Substantial Interest

The Superintendent shall file an affidavit with the Board President disclosing a substantial interest, as defined by Local Government Code 171.002, in any business or real property that the Superintendent or any of his or her relatives in the first degree may have. Relatives of the first degree by consanguinity include mother, father, sons, and daughters. Relatives of the first degree by affinity

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include spouse, stepsons, stepdaughters, sons-in-law, daughters-in-law, mother-in-law, and father-in-law.

Any other employee who is in a position to affect a financial decision involving any business entity or real property in which the employee has a substantial interest, as defined by Local Government Code 171.002, shall file an affidavit with the Superintendent. If the employee knows of substantial interest of a relative of the first degree by consanguinity including mother, father, sons, and daughters, and for relatives of the first degree by affinity to include spouse, stepsons, stepdaughters, sons-in-law, daughters-in-law, mother-in-law, and father-in-law, he or she shall file an affidavit.

Interest in Property

The Superintendent shall be required to file an affidavit disclosing interest in property in accordance with Government Code 553.002.

Annual Financial
Management
Report

The Superintendent, as the executive officer of the District, shall provide to the District in a timely manner information necessary for the District's annual financial management report.

[See BBFA]

Gifts

An employee shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities. [See CAA, CB, and CBB]

A budget manager (an employee with signature authority over a District budget) shall not accept or solicit any gift, favor, service, or other benefit that could reasonably be construed to influence the employee's discharge of assigned duties and responsibilities. [See CAA] A budget manager may accept items with an insignificant value of less than \$50, excluding cash or a negotiable instrument as described in Texas Business and Commerce Code Section 3.104. This prohibition does not apply to meals when accepted as a guest in the donor's presence.

No gift, favor, loan, services, or anything of more than token value shall be accepted by District budget managers from any District vendor or prospective vendor seeking to do business with the District. Items of token value include trinkets of minimal value such as coffee mugs, key chains, caps, T-shirts, inexpensive pens, and the like. Plaques and commemorative items are not considered to be gifts.

Exceptions may be made for employees being honored for their professional achievement with the Superintendent's or designee's approval, in accordance with Business and Commerce Code 3.104. In the case of the Superintendent, approval from the Board or its designee shall be required.

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Endorsements

An employee shall not recommend, endorse, or require students to purchase any product, material, or service in which the employee has a financial interest or that is sold by a company that employs or retains the District employee during nonschool hours. No employee shall require students to purchase a specific brand of school supplies if other brands are equal and suitable for the intended instructional purpose.

Sales

An employee shall not use his or her position with the District to attempt to sell products or services.

**Nonschool
Employment**

An employee shall disclose in writing to his or her immediate supervisor any outside employment that in any way creates a potential conflict of interest with the proper discharge of assigned duties and responsibilities or with the best interest of the District.

Employment outside the assigned duties in the District during the period of the contract or work year shall not:

1. Interfere with the employee's performance of assigned duties; or
2. In any way, directly or indirectly, result in a relationship whereby the employee could use his or her position with the District, and/or information acquired in the course of employment with the District, to the advantage of the employee or in any way that would cause harm to the District.

An employee shall not use his or her position with the District, or information obtained in the course of employment with the District, to obtain outside employment that would in any manner directly or indirectly be disadvantageous to the District or result in interest(s) that are adverse, antagonistic, or detrimental to the District.

Private Tutoring

A teacher shall not privately tutor for pay any student he or she is currently teaching.

**Outside Activities,
Employment,
Consultant Duties,
and Directorships**

An employee shall not be permitted to promote, participate, or develop any private venture that would result in financial gain to the employee or any associate during the duty day. Honoraria, fees, or compensation from any source for services rendered during the regular duty day shall be in compliance with Texas law and Board policies.

No budget manager shall receive financial or other compensation from a vendor, supplier, or contractor who does business with the District without approval of the Superintendent or designee. If the employee is the Superintendent, then the Superintendent shall request written Board approval.

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**Personal Services
Performed by an
Administrator**

An administrator, as defined in law, shall not receive any financial benefit for the performance of personal services except as permitted by and in accordance with law.

An administrator, other than a Superintendent or an assistant superintendent, who wishes to seek Board approval to perform personal services permitted by law shall submit that request to the Superintendent in accordance with administrative regulations.