## Series 2000: Bylaws

### 2300 Board Member Conduct

### *2301 Conflict of Interest*

Board members take an oath of public office requiring that they faithfully discharge their duties to the best of their abilities. Board members must act in the District's best interests and avoid any actual or perceived conflict of interest in the performance of their public duties. Board members will not misuse their public office to solicit, accept, obtain, or produce a substantial direct or indirect benefit for themselves or a family member.

A. "Family member" as used in this Policy means that term as defined in Revised School Code Section 1203.

B. Statutory Conflict of Interest

1. When a Board member believes or has reason to believe that the Board member has a conflict of interest, as described in Revised School Code Section 1203, as to a contract or other financial transaction that requires Board approval, the Board member will: (a) abstain from voting on the contract or other financial transaction, and (b) disclose the specific conflict of interest. If a majority of Board members are required to abstain from voting under this section, the special quorum and voting rules prescribed in Revised School Code Section 1203 will apply.

2. A Board member is presumed to have a conflict of interest if the Board member or the Board member's family member has a financial interest or a competing financial interest in the contract or other financial transaction or is a District employee.

C. Contracts of Public Servants with Public Entities

1. Affected Contracts Defined

For purposes of this Policy, an affected contract means a contract between the District and any of the following:

a. a Board member;

b. any firm, meaning a co-partnership or other unincorporated association, of which a Board member is a partner, member, or employee;

c. any private corporation in which a Board member is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of $25,000 if the stock is listed on a stock exchange, or of which a Board member is a director, officer, or employee; or

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d. any trust of which a Board member is a beneficiary or trustee.

2. Board members will comply with the disclosure and voting requirements of the Contracts of Public Servants with Public Entities Act for affected contracts.

3. A Board member will not do either of the following concerning an affected contract in which that Board member has a direct or indirect financial interest:

   a. take any part in the negotiation, renegotiation, amendment, or approval of the affected contract; or

   b. represent either party in the transaction.

4. Disclosure Requirements

   Board members will comply with the following disclosure requirements concerning an affected contract. Disclosures will be recorded in the Board's minutes.

   a. Nominal Benefit or Emergency

      If the Board member files a sworn affidavit with the Board attesting that the Board member will directly benefit from the affected contract in an amount less than $250 and less than 5% of the public cost of the affected contract, or if the affected contract is for emergency repairs or services, the disclosure will be made as follows:

      i. the disclosure may be made less than 7 calendar days before the meeting at which a vote will be taken on the affected contract; and

      ii. the sworn affidavit or grounds to determine the need for an emergency repair or service will be recorded in the Board minutes.

   b. Benefit Equals or Exceeds $250 But Does Not Exceed $5,000

      If a Board member will directly benefit from the affected contract in an amount equal to or exceeding $250 (but not more than $5,000) or equal to or more than 5% of the public cost of the affected contract, and if the affected contract is not for emergency repairs or services, the disclosure will be made in either of the following ways:

      i. at least 7 calendar days before the meeting at which a vote will be taken on the affected contract, the Board member will promptly disclose in writing the financial interest in the affected contract to the President (or other presiding officer), or to the Secretary if the President is the Board member that will directly benefit from the affected contract. The disclosure will be made public in the same manner as a public meeting notice; or

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ii. the Board member will disclose the financial interest at a public meeting of the Board; provided that the vote on the affected contract will be taken at a subsequent Board meeting held at least 7 calendar days after the meeting at which the disclosure is made.

c. Benefit Exceeds $5,000

If the amount of the direct benefit to the Board member is more than $5,000, disclosure must be made at a public meeting of the Board and the vote on the affected contract will be taken at a subsequent public Board meeting held at least 7 calendar days after the meeting at which the disclosure is first made.

5. Abstention Requirements

A Board member must abstain from voting on an affected contract in which the Board member has a financial interest.

D. Incompatible Public Office

A Board member will not hold 2 or more incompatible public offices, as defined by Michigan law.

Legal Authority: Const 1963, art 4, §10; MCL 15.181 et seq., 15.321 et seq.; MCL 380.1203; MCL 388.1769b; OAG, No 4555 (April 12, 1967)

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