

Shelby County Board of Education

4003

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CONFLICT OF INTEREST

I. PURPOSE

To ensure that the employees of Shelby County Schools conduct their associations with organizations and individuals both inside and outside the school district in a manner demonstrating the highest degree of integrity.

II. SCOPE

This policy applies to all key employees and senior management of Shelby County Schools; vendors, suppliers and other organizations that conduct business with Shelby County Schools.

III. DEFINITIONS

Key Employees – Supervisory and non-supervisory employees involved in the competitive bid process who have direct responsibilities in approving the purchase of, developing specifications for or managing the procurement of goods and services; who perform contracted management services and have the authority to procure services on behalf of Shelby County Schools; who are in a position to formally recommend a vendor, but are not directly involved in the competitive bid process; or who are support personnel who file or type information related to the procurement process. Key employees include employees in senior management; assistant principals; curriculum specialists; teachers involved in recommending curricula; administrative/clerical personnel who work for senior management or key employees; and financial secretaries.

Senior Management – Includes the Superintendent, academic superintendents, executive directors, department and division directors and principals.

IV. POLICY STATEMENT

Key employees and senior management (hereafter sometimes referred to as “employees”) of Shelby County Schools shall avoid any conflict or appearance of conflict between their personal interests and the interests of the system in dealing with suppliers, customers, and all organizations or individuals doing or seeking to do business with Shelby County Schools and/or in dealing with other employees of the Board. Suppliers, customers and organizations shall include, but are not limited to, business firms and corporations; consultants and consulting firms; college and university academic and athletic recruitment programs; university research programs; foundations; and federal and state government officials.

Employees shall avoid any situation that would result in their having a direct or indirect financial or material interest in firms, corporations or organizations doing business with the system.

Examples of Prohibited Practices

Key Employees and Senior Management

1. Senior management employees or key employees shall not have a direct or indirect financial or material interest in any business or organization that has a business relationship with Shelby County Schools.
2. Neither the Superintendent nor any principal, teacher, or supervisor shall have any financial or material interest, directly or indirectly, in supplying books, maps, school furniture, and/or apparatus to the public schools or act as agent for any author, publisher, bookseller, or dealer in such school furniture or apparatus on promise of reward for his/her influence in recommending or procuring the use of any book, map, school apparatus, or furniture of any kind (Tennessee Code Annotated, 49-6-2003 (a)). The spouse or family member of a teacher, principal, or other administrative employee can engage in business transactions with the district when a sealed bid system is used, provided that the employee does not participate in the bid process (Tennessee Code Annotated, 49-6-2003 (b)).
3. A senior management employee or key employee shall not disclose information concerning a business transaction to an individual, organization, or business seeking to conduct business with the school district or have any business contacts with a vendor, supplier, and/or contractor who is being considered in the procurement

process in any way that is outside the approved process for procuring goods or services.

4. An employee shall not accept a gift or solicit or coerce a gift from an individual, company, or organization, or accept any other types of favors, service, or accommodation from any individual, company, or organization with whom the school district has an actual or potential contractual relationship. However, an employee may accept a meal or token gifts that are given by an individual, company, or organization on a routine basis, such as pens, notepads, and tickets to special events.
5. Nothing in this policy shall preclude businesses and other organizations participating in Shelby County Schools' Adopt-a-School program from providing free materials, supplies, or services to their adopted schools to support the schools' educational mission.
6. Employees shall not use confidential school information for financial or personal benefit, or share such information with an individual not affiliated with the school district for that individual's financial or material benefit.
7. Teachers and other employees shall not accept money or other gifts from outside individuals, companies, or organizations for the purpose of influencing a student's decision on any matter, such as the decision to attend a particular college or university.
8. Supervisory employees shall not borrow money from, loan money to, or sign jointly a note of any employee who is within his/her administrative or supervisory jurisdiction, nor shall any goods or services be sold to any such employee.
9. Individual employees shall not sell for profit instructional supplies, materials, and/or other goods and services to the children or the parents of children in the school in which the employee is assigned during the school year or the summer. Instructional supplies, materials, and/or goods and services that are sold without a profit must be sold through the schools.
10. Administrators shall not accept gifts from personnel over whom they exercise any administrative or supervisory jurisdiction, either directly or indirectly. This does not include courtesies that are in keeping with special occasions, such as illness or bereavement, holidays, and retirement, if the employees so desire.

11. Employees may volunteer to serve on the board of directors of nonprofit organizations that conduct, or may conduct, business with Shelby County Schools. Senior management employees must receive approval from the Superintendent, who must determine that membership on the board is in the best interest of the school system. An employee serving on the board of a nonprofit organization may not take part in any business the nonprofit organization has with Shelby County Schools if the business transaction requires competitive bidding; may not intentionally use his/her position at SCS to provide a financial benefit to the nonprofit; and may not provide any confidential SCS information to the nonprofit.
12. The Superintendent may serve on the board of directors of nonprofit organizations on a volunteer basis. The Superintendent must not take part in any business the nonprofit organization has with Shelby County Schools if the business transaction requires competitive bidding; may not intentionally use his/her position at SCS to provide a financial benefit to the nonprofit; and may not provide any confidential SCS information to the nonprofit.
13. A supervisory or non-supervisory employee who is in a position to recommend a vendor but is not directly involved in the competitive bid process, may have limited participation in a business relationship with an actual or potential vendor if the business relationship does not conflict with the employee's job duties (e.g., the employee, a Reading Specialist, is asked by a vendor who sells books for mathematics and literacy to review a book in the area of mathematics for clarity). The employee must have prior approval from the Department or Division Director before engaging in the business activity and must engage in the business activity after school hours.

Vendors/Suppliers/Contractors

1. No vendor/supplier/contractor shall attempt to influence school board members, senior management personnel, or key employees in any way that is outside of the approved procedures used for procuring goods or services.
2. All Shelby County Schools procurement documents shall contain a clause reserving the right of the school district to review vendor, supplier, or contractor records to determine whether a conflict of interest exists.
3. Employees shall not accept payment for travel/accommodation from any vendor except for the sole purpose of training on use of a product after the product has been

purchased by Shelby County Schools. Exceptions can be granted by the Department Director on a case-by-case basis.

Disclosures

All key employees and senior management personnel shall complete disclosure forms annually indicating they have been free of any conflict of interest during the preceding year and will maintain that position during the next year.

Any employee or close relative of an employee who receives pay from, has a material interest in, serves on the Board of Directors of, or sells goods and services to any business entity or organization doing business with or actively seeking to do business with the Shelby County Board of Education or an individual school must complete a conflict of interest disclosure statement on an annual basis.

Director of Internal Audits and Ethics Advisory Committee

The Director of Internal Audits shall distribute and review all disclosure statements annually to identify actual or potential conflict of interest situations. If an actual or potential conflict is found to exist, the Director will take appropriate steps to eliminate the conflict of interest, including recommending appropriate sanctions to the office responsible for labor relations, if necessary. The Director of Internal Audits shall also investigate complaints from other parties of a conflict of interest by a Shelby County Schools employee and take appropriate action. The Director of Internal Audits shall appoint a three-person advisory committee to provide advice on conflict of interest issues that have major implications for maintaining district-wide standards of ethical behavior.

Ethics Review Committee

The Superintendent shall appoint a three-person Ethics Review Committee to review appeals of decisions by the Director of Internal Audits in which the Director has made a finding of a conflict of interest or a decision recommending sanctions. The Ethics Review Committee shall be comprised of members of senior management. Membership on the committee shall rotate every three years. The decision of the Ethics Review Committee is final.

Education and Training

Shelby County Schools shall conduct yearly training for all key employees and senior management on conflict of interest policies and procedures.

Sanction – Vendors/Contractors

Any vendor or contractor who violates the conflict of interest policy shall be barred from obtaining contracts with Shelby County Schools for two years from the date the violation first occurred.

V. RESPONSIBILITY

- A. The Superintendent is responsible for appointing an Ethics Review Committee.
- B. Key employees and senior management are responsible for adhering to disclosure and recusal guidelines under this policy.
- C. The Director of Internal Audits is responsible for administering this policy and for conducting training for senior management staff and key employees.
- D. Senior management is responsible for informing key employees of the conflict of interest policy and of disseminating and reviewing disclosure forms for employees in their departments. Senior management is also responsible for identifying conflict of interest issues in their department and reporting them to the Director of Internal Audits.
- E. The office responsible for human resources is responsible for imposing sanctions on persons who violate this policy.
- F. The department responsible for business operations is responsible for enforcing this policy as it applies to vendors, contractors, and suppliers.
- G. The Superintendent is responsible for ensuring that this policy is followed.

Legal References:

1. T.C.A. 49-6-2003

Cross References: