

SUBJECT: CONFLICTS OF INTEREST

Supersedes: Policy 8.16 (2001)
Effective: December _9_, 2008
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Approved by: Detroit Board of Education

1.0 Policy

It is the policy of the Detroit Public Schools that its employees and agents conduct District educational and business affairs in an ethical, professional and transparent manner. To that end, all Board members, employees, contractors, and vendors shall avoid all potential conflicts of interest or the appearance of any such conflict.

In accordance with the requirements of federal and state law regarding the conduct of employees of public entities and of public school systems, ethical standards for all Board members, employees, contractors, and vendors have been established as set forth below:

1.1 DEFINITION OF CONFLICT OF INTEREST

A conflict of interest arises whenever the activities of a Board member, District employee, contractor, and vendor result in or provide an opportunity for the Board member, District employee, contractor, vendor or a third party to gain an improper advantage, economic or non-economic, that is adverse to the District's interests. Stated another way, it is a situation or circumstance which, by itself or by logical extension thereof, impairs or may impair an employee's full loyalty to or good faith performance of duties for the District.

1.2 ADDITIONAL DEFINITIONS

1.2.1 Board Member: Individuals duly elected and/or appointed as prescribed by law to serve on the Detroit Board of Education for the School District for the City of Detroit.

1.2.2 Domestic Partners: Individuals who reside in the same household and are involved in a relationship, often holding themselves out to the public as marital partners, but who are not legally married.

1.2.3 Contract: An agreement to which the Detroit Board of Education and/or the Detroit Public Schools is a party or any agreement on behalf of the either of the same.

- 1.2.4 Employee:** Shall include: 1) the General Superintendent, all employees of DPS, including administrators 2) individuals other than employees who act on behalf of DPS, including contracted individuals and subcontractors; and 3) organizations acting or speaking on behalf of DPS, such as companies contracted to operated departments, temporary help agencies, or collection agencies.
- 1.2.5 “Employer” or “DPS”:** Shall include the Detroit Public Schools and all of its schools, departments, facilities, and site locations.
- 1.2.6 Family Member:** Shall include: 1) any individual residing in the same household as the employee; and 2) immediate family (any spouse, child, parent, or sibling of an employee, regardless of where he or she resides). In appropriate circumstances, may also include individuals who are “so close” they are “like family”.
- 1.2.7 Financial Interest:** Shall include: 1) direct or indirect ownership positions; 2) debt or equity interests; 3) ownership or options or other convertible rights; and 4) employment or consulting arrangements.
- 1.2.8 Gift:** Shall include food, lodging, transportation, personal services, subscription, membership, trip, loan, and forgiveness of debt, advance or deposit of monies and anything of value.
- 1.2.9 Relatives:** For purposes of this policy, a relative is defined as a spouse, child, parent, sibling, grandparent, aunt, uncle, first cousin, or corresponding in-law or step-relation.
- 1.2.10 Significant Others:** Individuals who are dating or engaged to be married but may or may not reside together.
- 1.2.11 Supervision:** For the purposes of this policy, supervision includes the direct supervisor-subordinate relationship and any individual to whom the immediate supervisor ultimately reports.
- 1.2.12 Vendor:** Shall include: 1) any company, organization, or individual conducting, or seeking to conduct business with DPS; 2) any company, organization, or individual providing grant or research funds to DPS; and 3) any company, organization, or individual who has made donations to DPS or from whom DPS is actively soliciting donations.

1.3 PROHIBITED CONDUCT REGARDING CONTRACTS AND/OR BUSINESS RELATIONSHIPS

In an effort to assist District staff in maintaining ethical and appropriate business conduct, the following guidelines have been established.

- 1.3.1** Board members and employees shall not be a party, directly or indirectly, to any contract between himself or herself and the school district except as permitted by law.
- 1.3.2** Board members and employees shall not use District resources, personnel, property, or funds for the Board members, employee or a third party's personal gain or benefit, except where such use is part of that employee's approved compensation plan.
- 1.3.3** Board members and employees shall not, directly or indirectly, engage in a business transaction in which the Board member or employee may profit from his or her position or authority or benefit financially from confidential information which the individual has obtained or may obtain by reason of that position or authority. This includes all definitions outlined within 1.2.
- 1.3.4** Board members and employees shall not engage in or accept employment or render services for another entity when that employment or service is incompatible or in conflict with the discharge of the individual's duties or when that employment may tend to impair his or her independence of judgment or action in the performance of their duties.
- 1.3.5** Board members and employees shall not participate in the negotiation or execution of contracts or regulation or supervision relating to a business entity in which they have a financial or personal interest, directly or indirectly.
- 1.3.6** An employer shall not solicit, negotiate, or be a party, directly or indirectly, to any contract between the Board member, employee and District, except as may be permitted by all applicable laws.
- 1.3.7** Board members and employees shall not divulge to an unauthorized person, confidential information acquired in the course of his or her association and/or employment in advance of the time prescribed for its authorized release to the public.
- 1.3.8** Board members and employees shall not represent his or her personal opinion as that of the District.

1.3.9 Board members and employees shall not take any action (including solicit or accepting gifts, remuneration, preferential treatment, disclose about bids or other confidential matters not approved for general release) in relation to contractors, vendors, and suppliers that will impair their ability to make purchasing decisions in the best interests of the District or that will give one contractor/vendor/supplier an unfair advantage over another.

2.0 GIFTS AND GRATUITIES

2.1 Board members and employees shall not, directly or indirectly, as an agent for an author, publisher, or seller of schoolbooks, apparatus, or furniture, or receive a gift or reward for his or her influence in recommending the purchase or use of a schoolbook, apparatus, or furniture.

2.2 In order to avoid the appearance of impropriety, Board members and employees shall not solicit or accept a gift or loan of money, favors, goods, services, discounts, benefits or any other thing of value which tends to influence the manner in which the individual performs his or her duties.

3.0 NEPOTISM

At no time, may any Board member or employee be directly responsible for the supervision or evaluation of a member of his or her immediate family, domestic partner, relative, and/or significant other.

4.0 DUTY TO DISCLOSE

4.1 All Board members and District employees shall disclose any real or potential conflicts of interest upon acceptance of their position and there remains a continuing duty to disclose any such conflicts throughout their association and/or employment with the District.

4.2 All Board members and employees shall file a Detroit Public Schools Employee Financial Disclosure Form annually. Each shall file an updated Form within thirty (30) days of any change in the individual's circumstances that would require an answer different than any answer provided on the Form then on file with the District.

5.0 ISSUANCE OF ADMINISTRATIVE REGULATIONS/STANDARD OPERATING PROCEDURES

The General Superintendent shall develop administrative regulations and/or standard operating procedures to implement this policy.

6.0 FAILURE TO COMPLY

Failure to comply with this policy or the corresponding regulations and/or procedures may result in a recommendation for appropriate disciplinary action (up to and including termination) and/or Board sanctions.

7.0 EXCEPTIONS

Any exceptions to this policy must be documented and approved by the Board and the General Superintendent.

Attachments to Policy: Employee Financial Disclosure Form

See also: None

Legal References: 34 CFR 80.36
MCLA § 15.321 *et seq.*
MCLA § 15.341 *et seq.*
MCLA § 380.373
MCLA § 380.1805
MCLA § 380.1806

Labor Contract References: None

DETROIT PUBLIC SCHOOLS

BOARD MEMBER/EMPLOYEE FINANCIAL DISCLOSURE FORM

It is important that you provide accurate and complete answers to the following questions. Any questions that cannot be answered “yes” or “no” should be completed in whatever detail is necessary to fully answer the questions. If there is any change in your circumstances that would result in a different answer to any of the questions, you must submit an updated Disclosure Form within thirty (30) days of the change in your circumstances. Failure to truthfully and completely answer all questions, or to file an updated Disclosure Form within the time required, may result in disciplinary action, up to and including termination.

1. Do you have any contracts, sales agreements, purchase orders, business dealings financial arrangements, or other agreements or arrangements of any kind with DPS? (other than your employment agreement or arrangement)

No _____ Yes _____

If the answer is “yes”, please describe in full detail below:

(Attach additional sheet if necessary for a full explanation.)

2. Does any firm, co-partnership or other unincorporated association of which you are a partner, member, employee, representative, or agent have any contracts, sales agreements, purchase orders, business dealings, financial arrangements, or other agreements or arrangement of any kind with DPS?

No _____ Yes _____

If the answer is “yes”, please describe in full detail below:

(Attach additional sheet if necessary for a full explanation.)

3. Does any private corporation in which you are, a) a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, b) a stockholder with a present total market value in excess of \$25,000.00 if the stock is listed on a stock exchange, or c) of which you are a director, officer, employee, representative, or agent, have any contracts, sales agreements, purchase orders, business dealings, financial arrangements, or other agreements or arrangements of any kind with DPS?

No _____ Yes _____

If the answer is "yes", please describe in full detail below:

(Attach additional sheet if necessary for a full explanation.)

4. Does any trust of which you are a beneficiary or trustee have any contracts, sales agreements, purchase orders, business dealings, financial arrangements, or other agreements or arrangements of any kind with DPS?

No _____ Yes _____

If the answer is "yes", please describe in full detail below:

(Attach additional sheet if necessary for a full explanation.)

Please sign and date

"I declare that to the best of my knowledge, information, and belief that the answers I have given are true and correct."

Signature

Print or type name

Date: _____