



**Policy: 7.10**

**SUBJECT:**                    **CONFLICTS OF INTEREST**

**Supersedes:**                Policy 8.16 (2001)  
**Effective:**                    September 10, 2009  
**Page:**                         1 of 8  
**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 conflicts of interest.

Board members and employees of the Detroit Public Schools must not only avoid actual conflicts of interest, but must avoid the appearance of such conflicts. It is therefore the policy of the Detroit Public Schools that Board members and employees shall report any actual or potential conflicts of interest, questions of conflicts of interest or the appearance of conflicts of interest in accordance with this policy for prompt resolution.

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, discounts and anything of value.
- 1.2.9 Related Party:** Shall include one or more of the following: domestic partner, family member, relative(s) or significant other.
- 1.2.10 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.
- 1.2.11 Significant Others:** Individuals who are dating or engaged to be married but may or may not reside together.
- 1.2.12 Supervision:** For the purposes of this policy, supervision includes the direct supervisor-subordinate relationship and any individual to whom the immediate supervisor ultimately reports.
- 1.2.13 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 member's, employee's, related parties' or a third party's personal gain or benefit, except where such use is part of that employee's approved compensation and benefit plan.
- 1.3.3** Board members and employees shall not, directly or indirectly, engage in a business transaction in which the Board member, employee or related party may profit from the Board member's or employee's position or authority or may benefit financially from confidential information which the individual has obtained or may obtain by reason of that position or authority.
- 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 or related parties have a financial interest.
- 1.3.6** An employer shall not solicit, negotiate, or enter into a contract with Board members, employees and/or the District, unless permitted by applicable rules.
- 1.3.7** Board members and employees shall not divulge to a vendor or any unauthorized person, confidential information acquired in the course of his or her association and/or employment with the District 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 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**

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, and or benefits in excess of \$100.00 (one hundred dollars) from a single source.

## **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 actual or potential conflicts of interest or matters that may give the appearance of a conflict of interest upon acceptance of their position and shall disclose any such actual or potential conflicts of interest or matters that may give the appearance of a conflict of interest throughout their association and/or employment as they arise.
- 4.2** All Board members and employees shall file Detroit Public Schools Employee Financial Disclosure and Outside Employment Disclosure Forms 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 Forms then on file with the District.

## **5.0 REPORTING AND RESOLVING CONFLICTS OF INTEREST**

- 5.1** It is the responsibility of each Board member and each employee to report any actual conflicts of interest, potential conflicts of interest or the appearance of a conflict of interest prior to their occurrence or immediately upon becoming aware of the conflict of interest.
- 5.2** Annually each Board member and each employee shall be required to complete a conflict of interest form disclosing any actual or potential conflicts of interest or the appearance of conflicts of interest that may have occurred in the past year. The form shall allow an explanation of how such conflicts were reported and resolved.
- 5.3** Employees shall report in writing any actual or potential conflicts of interest or appearance of conflicts of interest to their immediate supervisor or to the general counsel's office and refrain from participating in the activity until the conflict is resolved. The administration shall ensure that all employees are trained in the policy

and related regulations, standard operating procedures and forms, and ensure to the extent possible, that employees suffer no retribution for reporting, disclosing or raising questions about a conflict of interest. The District may discipline an employee or take other appropriate corrective actions for failure to disclose a conflict of interest or follow directives defined by the administration to resolve a conflict of interest.

- 5.4** Board members and the General Superintendent shall disclose actual or potential conflicts of interest or the appearance of a conflict of interest publicly at a Board meeting prior to the administration signing the contract or the Board considering the action. Board members shall refrain from voting on the matter in question; refrain from participating in the discussion and deliberation on the matter and refrain from discussing the matter with any other Board member.
- 5.5** Board members and employees shall consult with the General Counsel or designee to resolve any actual or potential conflicts of interest or the appearance of a conflict of interest. Employees shall follow the directives of administration in the resolution of actual or potential conflicts of interest or matters that may give the appearance of a conflict of interest. Board members shall report to the Board the recommendations of the General Counsel regarding actual or potential conflicts of interest or matters that give the appearance of a conflict of interest and the Board shall make final decisions.
- 5.6** Each vendor doing business with the District shall be required to disclose actual or potential conflicts of interest or the appearance of a conflict of interest prior to entering into a business relationship with the District. Annually, each vendor shall be required to disclose actual or potential conflicts of interest or the appearance of a conflict of interest on a form prescribed by the administration. The General Counsel or designee shall resolve any such disclosed conflicts of interest.

## **6.0 ISSUANCE OF ADMINISTRATIVE REGULATIONS/STANDARD OPERATING PROCEDURES**

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

## **7.0 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 sanction.

## **8.0 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  
Outside Work Disclosure Form

**See also:** Code of Ethics Policy

**Legal References:** 34 CFR 80.36  
MCLA § 15.321 *et. seq.*  
MCLA § 15.322 *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: \_\_\_\_\_