Conflict of Interest

In general the term “conflict of interest” describes a situation where a Director’s, the Superintendent’s, or employee’s own interest may influence the way he/she handles District business. It describes a situation where a Director, the Superintendent, or an employee, or such a person’s spouse and/or dependents can personally benefit from transactions between the District and others.

While a possible conflict between personal and District interests does not always result in damage to the District, its very existence should be avoided. Even the appearance of a conflict of interest should be avoided.

A conflict of interest may exist when a Director, the Superintendent or an employee has direct or indirect financial interest, or receives any compensation or other benefits from any individual or business firm:

A. From which the District purchases supplies, materials or property;
B. Which renders any service to the District;
C. Which enters into leases or assignments to or from the District;
D. To which the District sells or leases any of its materials, services, facilities or properties; or
E. Which has any other contractual relations, arrangements, or business dealings with the District.

Ownership of a financial interest in a corporation or business is permissible so long as the financial interest is less than one percent of the outstanding shares.

Transactions Which Constitute Prohibited Conflicts of Interest

Directors, the Superintendent and employees shall not engage in activities or transactions, which constitute a conflict of interest. Conflicts of interests include, but are not limited to:

A. Borrowing from individuals or firms with which the District does business, except banks, insurance companies and other recognized lending institutions, unless the transaction is otherwise prohibited in this regulation.
B. Soliciting or personally accepting gratuities, favors, free services or anything of monetary value from contractors or vendors, potential contractors or vendors, or parties to subagreements. Any premiums received from purchase commitments become the property of the district. Certain business courtesies, such as receipt of a modest lunch in
connection with a business meeting of a nominal value, promotional novelty item widely
distributed, of a nominal value, or honorariums of tangible personal property of a
nominal value may be accepted. The employee shall immediately disclose the acceptance
of such items to his/her immediate supervisor.

C. Receiving economic benefit by requiring or pressuring students, staff, or parents to
purchase equipment, supplies, or services from the director, employee or his or her
spouse or dependent, or the business of any such person.

D. Using or providing to others names and home addresses obtained from school records,
including student or staff directories, for purposes of identifying potential client or
customer contacts.

E. Participating in any way in the selection process for, or acquisition of (including
processing for payment), services, materials, licenses, books, equipment, personal or real
property when a director, employee or director’s or employee’s spouse and/or dependent
may financially benefit from the transaction or if an employee, director, or director’s or
employee’s spouse and/or dependent is a nonsalaried officer of a nonprofit corporation.

F. Using intradistrict mail, including electronic mail, to promote sales of a product in which
a staff member has a financial interest, except advertisements published in the Staff
Bulletin.

G. Purchasing and otherwise acquiring surplus District property, where the staff member
was involved in or had influence in the process of declaring the item(s) surplus, unless
authorized by the superintendent or designee.

Transactions with a Vendor/Contractor

The following provision shall be included in all contracts entered into by the District, with the
exception of employment contracts:

Conflict of Interest: No director, employee or agent of the Vendor/Contractor shall give
or receive any commission, fee, rebate, gift, or entertainment in excess of $25 value in
connection with the work, or enter into any non-consumer business arrangement with
any director, employee or agent of Tacoma School District No. 10, other than as a
representative of the District, without prior written notification thereof to the District.
Any representative(s) authorized by the District’s Superintendent may audit all records
of the Vendor/Contractor that pertain to the Tacoma School District, for the sole purpose
of determining whether there has been compliance with this paragraph. Information
obtained through this process shall be administered confidentially.
Elected/Appointed Officials

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through, or under the supervision of such official, in whole or in part, or which may be made for the benefit of his or her offices, or accept, directly or indirectly, any compensation, gratuity, or reward in connection with such contract from any other person beneficially interested in the contract, except as permitted in Chapter 42.23 RCW.

A municipal officer or officers includes all elected and appointed officers of the school district, all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any powers or functions of a municipal officer.

Pursuant to RCW 42.23.030, the above restrictions do not apply to:

A. The designation of public depositories for municipal funds;
B. The publication of legal notices required by law to be published, upon competitive bidding or at rates not higher than prescribed by law for members of the general public;
C. The designation of a director as clerk or as both clerk and purchasing agent of the District;
D. The letting of any employment contract to the spouse of an officer of the District if the spouse was under contract as a certificated or classified employee with the District before the date on which the officer assumes office. The terms of such contract, however, shall be commensurate with the pay plan or collective bargaining agreement operating in the District.
E. The letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer’s business does not exceed one thousand five hundred dollars in any calendar month.
   1. The District shall have a list of such contracts;
   2. The list must be made available for public inspection and copying.
F. The letting of any employment contract to the spouse of an officer of a school district, when such contract is solely for employment as a substitute teacher for the school district. This exception applies only if the terms of the contract are commensurate with the pay plan or collective bargaining agreement applicable to all District employees and the board of directors has found, consistent with the written policy under RCW 28A.330.240, that there is a shortage of substitute teachers in the school district.

If the supplier or contractor is a municipal officer of the District, he or she shall not vote on the...
authorization of the contract.

Notice of the proposed contract shall be published in one or more newspapers of general circulation within the District.

**Remote Interest**

A municipal officer shall not be deemed to be interested in a contract if he or she has only a remote interest in the contract and if the fact and extent of such interest is disclosed to the Board of Directors and noted in the official minutes of the board prior to the formation of the contract, and thereafter the board authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the director having the remote interest. As used in this section “remote interest” means:

A. That of nonsalaried officer of a nonprofit corporation;

B. That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;

C. That of a landlord or tenant of a contracting party;

D. That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

Any municipal officer interested in a contract, though his or her interest only remote, may not influence or attempt to influence any director or employee to enter into the contract.

**Employees**

If an employee or the employee’s spouse or dependent has an interest or other outside relationship which might result in a conflict of interest, it is the employee’s responsibility to give all the pertinent information about the potential conflict to his/her supervisor. The supervisor must notify the superintendent or designee of the potential conflict. The superintendent or designee shall determine whether a conflict exists and the course of action to be taken in addressing the issue.

Violation of Policy 1610 or this regulation shall be grounds for disciplinary action, which may include dismissal.

**Approved 12/12/01**
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