



**Poudre School District
Board of Education Policies**

Policy Type: **Governance Process**
Policy No.: **GP 3.5**
Policy Title: **Board Members' Code of Conduct and Conflict of Interest**
Policy Date: Adopted September 11, 2006
Revised April 8, 2008
Revised March 26, 2013

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including members' proper use of authority and appropriate decorum while acting as directors.

Board Member Conduct

1. Members must have loyalty to the citizens **community**, unconflicted by loyalties to staff, other organizations, and any self-interest.
2. Board members may not attempt to exercise individual authority over the District or any of its parts or staff.
 - a. a. Members' interaction with the Superintendent or with staff must recognize the lack of authority vested in individual Board members except when explicitly authorized by the Board.
 - b. b. Members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Except for participation in Board deliberation about whether the Superintendent has achieved any reasonable interpretation of Board policy and except in connection with personnel actions presented for Board action, members will not express individual evaluative judgments of performance of staff, including the Superintendent. Board members may provide informal feedback directly to the Superintendent about the Superintendent or staff relating to District work for which the Board is responsible.
3. Members will respect the confidentiality appropriate to issues of a sensitive nature, including the confidentiality requirements and restrictions applicable to executive sessions.

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4. Members will be properly prepared for Board deliberation.
5. Members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.

In carrying out their fiduciary duties as per the Standards of Conduct, Code of Ethics statute, C.R.S. § 24-18-104 and 109, Board members shall not:

1. Disclose or use confidential information acquired in the course of official duties in order to further substantially the member's personal financial interests.
2. Accept a gift of substantial value or substantial economic benefit tantamount to a gift of substantial value which would tend to improperly influence a reasonable person in the position to depart from the faithful and impartial discharge of the Board member's public duties or which the member knows or a reasonable person in the member's position should know under the circumstances is primarily for the purpose of a reward for official action taken.
 - a. For the purposes of this policy, an economic benefit tantamount to a gift of substantial value includes without limitation: (1) a loan at a rate of interest substantially lower than the commercial rate then currently prevalent for similar loans and compensation received for private services rendered at a rate substantially exceeding the fair market value of such services; or (2) the acceptance by a Board member of goods or services for his or her own personal benefit offered by a person who is at the same time providing goods or services to the school district under a contract or other means by which the person receives payment or other compensation from the state or local government, as applicable, for which the member serves, unless the totality of the circumstances attendant to the acceptance of the goods or services indicates that the transaction is legitimate, the terms are fair to both parties, the transaction is supported by full and adequate consideration, and the officer, member, official, or employee does not receive any substantial benefit resulting from the member's status that is unavailable to members of the public generally.
 - b. Campaign contributions and contributions in kind reported as required by the Fair Campaign Practices Act or an unsolicited item of trivial value are not considered gifts of substantial value or gifts of substantial economic benefit tantamount to gifts of substantial value.
3. Engage in a substantial financial transaction for the member's private business purposes with a person whom the member supervises in the course of official duties.

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4. Perform an official act which directly and substantially confers an economic benefit tantamount to a gift of substantial value on a business or other undertaking in which the member has a substantial financial interest or is engaged as counsel, consultant, representative or agent.

Per the Standards of Conduct, Code of Ethics, C.R.S. § 24-18-109, it shall not be considered a breach of conduct for a Board member to:

1. Use school district facilities or equipment to communicate or correspond with a member's constituents, family members or business associates.
2. Accept or receive a benefit as an indirect consequence of transacting school district business.

Per the Standards of Conduct, Code of Ethics, C.R.S. § 24-18-109, it is neither a conflict of interest nor a breach of fiduciary duty for a Board member to serve on a board of directors of a nonprofit entity and, when serving on the Board of Education, to vote on matters that may pertain to or to benefit the nonprofit entity.

1. A Board member is not required to provide or file a disclosure or otherwise comply with C.R.S. § 24-18-109(3) unless the Board member has a financial interest in, or the Board member's immediate family member receives services from, the nonprofit entity independent of the Board member's membership on the board of directors of the nonprofit entity.
2. If the Board is voting on a matter that provides a substantial economic benefit to a nonprofit entity, the Board member who serves on the board of directors of the nonprofit entity shall publicly announce the member's relationship with the nonprofit entity prior to voting.

Member Conflict of Interest

2. Members must avoid conflict of interest with respect to their fiduciary responsibilities. For the purposes of this policy, a conflict of interest can arise when Board members are unable to devote themselves with complete loyalty and singleness of purpose to the general public interest because of a personal, pecuniary interest that is immediate, definite and demonstrable and which is or may be in conflict with the public interest.

- a. ~~1. There will be no self-dealing by a Board member, and no business by a Board member with the District except as authorized under Colorado's Standards of Conduct statute after full disclosure of the Board member's interest. Members will annually disclose their involvements with individuals, other organizations and vendors, and any other associations, that might be reasonably seen as representing a conflict of interest.~~

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~~b.~~ 2. When the Board is to decide on an issue about which a member has an unavoidable conflict of interest, that member shall publicly disclose such conflict to the Board, shall not vote on it, shall refrain from participating in the deliberation, and shall not attempt to influence the decision of other Board members in voting on the matter. ~~and absent himself or herself without comment not only from the vote but from the deliberation.~~ Such disclosure shall be reflected in the meeting minutes.

- i. If, however, a Board member has complied with statutory disclosure requirements per C.R.S. § 24-18-109 and 110 by notifying the Secretary of State in writing of an interest in the matter, the member may vote if participation is necessary to obtain a quorum or otherwise enable the Board to act. The written notice must include the amount of the member's financial interest, if any, the purpose and duration of the member's services rendered, if any, and the compensation received for the services or such other information as is necessary to describe the member's interest. If a member votes under these circumstances, that member shall state for the record the fact and summary nature of the potential conflict of interest at the time of performing the act.

3. In the interest of transparency, members will annually fill out and submit a form to the Board secretary disclosing any business positions, employment, and board/committee leadership positions. The disclosure of this information does not necessarily indicate that the affiliation or position creates a potential or actual conflict of interest.

~~e.~~ 4. Board members will not use their Board position to obtain employment in the District for themselves, family members, or close associates. A Board member who applies for employment in the District must first resign from the Board.

~~d.~~ 5. A District employee who becomes a candidate for the Board shall automatically be deemed to be on an extended leave of absence during his or her candidacy. A District employee candidate who successfully becomes a Board member shall be deemed to have automatically and voluntarily resigned as a District employee, effective upon taking the oath of office as a Board member.

~~3. Board members may not attempt to exercise individual authority over the District or any of its parts or staff.~~

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- ~~a. Members' interaction with the Superintendent or with staff must recognize the lack of authority vested in individual Board members except when explicitly authorized by the Board.~~
 - ~~b. Members' interactions with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.~~
 - ~~c. Except for participation in Board deliberation about whether the Superintendent has achieved any reasonable interpretation of Board policy and except in connection with personnel actions presented for Board action, members will not express individual judgments of performance of staff, including the Superintendent.~~
- ~~4. Members will respect the confidentiality appropriate to issues of a sensitive nature.~~
- ~~5. Members will be properly prepared for Board deliberation.~~
- ~~6. Members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.~~
6. In accordance with C.R.S. § 24-18-201, *et seq.*, the Board shall not enter into any contract with any of its members or with a firm or corporation in which a member has a financial interest, other than a minority interest in a corporation, unless one or more of the following apply:
- a. The contract is awarded to the lowest responsible bidder based on competitive bidding procedures.
 - b. The merchandise is sold to the highest bidder at a public auction.
 - c. The transaction involves investigating or depositing money in a financial institution which is in the business of loaning money or receiving money.
 - d. If, because of geographic restrictions, the District could not otherwise reasonably afford the contract because the additional cost to the District would be greater than ten percent of the contract with the interested member or if the contract is for services that must be performed with a limited time-period and no other contractor can perform the services within that time period.
 - e. If the contract is one in which the Board member has disclosed a personal interest and has not voted or has voted in compliance with statutory

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disclosure requirements by notifying the Secretary of State in writing of an interest in the matter per C.R.S. § 24-18-109(3)(b).

Board Member Financial Disclosure

Every incumbent in or candidate elected to the Board of Education is required by law to disclose certain items received in connection with service on the Board. If such items are received, incumbents or candidates elected to the Board must file a report with the Colorado Secretary of State. Such report must be filed on or before January 15, April 15, July 15, and October 15 of each year, and shall cover the period since the last report. The report must contain the name of the person from whom the reportable item was received, its value and the date of receipt. If an incumbent or candidate elected to the Board does not receive any such items, they are not required to file a report. These reports are not filed with or maintained by the District.

Campaign-related Disclosures

Campaign-related disclosures are not covered by this policy. Every incumbent in or candidate elected to the Board of Education shall comply with campaign and election requirements as provided by Colorado law and the Colorado secretary of state.