

Adopted: February 16, 2004
Amended: January 1, 2016
Amended: October 26, 2017

304 CONFLICT OF INTEREST-PURCHASING

I. PURPOSE

The purpose of this policy is to establish standards for persons involved with purchasing of goods and services for the school district.

II. GENERAL STATEMENT OF POLICY

It is the policy of this school district that no conflict of interest may exist with persons involved in the purchasing of goods and services for the school district.

III. REQUIREMENT

- A. The persons involved in decision making, particularly purchasing from and contracting with vendors, may not have personal outside interests which have the potential to conflict with or influence the decision of the school district. There is a potential for this duality of interest in any situation where individuals in decision making or administrative positions are chosen for their expertise, or their specialized knowledge. Such a duality of interest can be perceived as beneficial to and consistent with the primary goals of the School District but can also raise the potential for conflict of interest.
- B. The laws of the State of Minnesota provide criminal penalties in certain conflict of interest situations. Section 609.42 Minnesota Statutes provides that any public officer or employee who requests, receives or agrees to receive, directly or indirectly, any benefit, reward, or consideration to which they are not legally entitled with the understanding that the public officer or employee will be influenced in this decision by their personal welfare rather than the welfare of the district, is guilty of bribery. This crime is a felony. Section 471.87 Minnesota Statutes provided that a public officer who is authorized to take part in any manner in making any sale, lease, or contract in their official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially there from, and that every public officer who violates this provision is guilty of a gross misdemeanor.
- C. Business and professional ethics require personnel to have primary fidelity to the school district.
- D. To avoid conflict of interest issues, it is prohibited for:
 - 1. any officer or employee of the School District to represent the School District in dealing with any vendor of goods or services in which the officer or employee holds any position or has a material financial interest.
 - 2. any such officer or employee to compete, directly or indirectly, with the School District in the purchase or sale of property or property rights interests or services.
 - 3. any officer or managerial employee to render services to any outside concern that does business with the School District.

4. any such employee or officer to accept gifts, excessive entertainment, or other favors from any outside concern that does or is seeking to do business with the School District under circumstances from which it might be reasonably inferred that such action was intended to influence or possibly that it would influence the individual in the performance of his duties. This does not include acceptance of items of nominal or minor value such as pencils or pens or pocket calculators or other gimmicks containing advertising material and generally distributed as promotional material by the vendor in question. If any reasonable question arises as to whether the item is of nominal value or not, it should be resolved in favor of not accepting the item. This guideline would also not require an officer or employee of the School District to refuse to accept a gratuitous lunch from the vendor during which considerations concerning vendor's product or services are presented or discussed. It would preclude accepting items of substantial value and it would preclude accepting excessive entertainment beyond the traditional "business lunch".
- E. Employees shall not purchase items from the school to benefit from:
 1. a price obtained because of a volume discount for which the school has been extended.
 2. to avoid paying sales tax on the item.
- F. All activities of vendors of goods and services, which exhibit possible conflicts of interest should be reported by the individual officer or employee to the Director, Finance Committee or the School Board.

Legal Reference:

Minn. Stat. § 609.42

Minn. Stat. § 471.87

Cross Reference: