

MICHIGAN
STATE BOARD OF EDUCATION

**Model Policy
Conflict of Interest**

Section 380.634 of the *Revised School Code* requires the Michigan Department of Education to develop and distribute to each intermediate school district (ISD) a model conflict of interest policy. Each ISD is required to adopt and implement a policy not later than July 1, 2005.

Preamble

ISD board members and administrators shall perform their duties in a manner free from conflict of interest to assure the proper performance of school business as well as to earn and keep public confidence.

No ISD board member or administrator shall engage in or have financial interest in any activity that conflicts or raises a reasonable question of conflict with his or her duties and responsibilities.

The ISD board shall direct the administration to draft additional guidelines to conform to the intent of this policy.

Substantial Conflict of Interest

If an ISD board member or administrator has a substantial conflict of interest in a proposed contract for services, supplies or equipment, the board shall not enter into that contract. A "substantial conflict of interest" means "...a conflict of interest on the part of an intermediate school board member or intermediate school district administrator in respect to a contract with the intermediate school district that is of such substance as to induce action on his or her part to promote the contract for his or her own personal benefit."

An ISD board member or administrator is prohibited from entering into a contract if the member or administrator has a substantial conflict of interest. Excluded from substantial conflict of interest are situations as described in section 380.634(5) of the *Revised School Code*.

Conflict of Interest Disclosure

An ISD board member, administrator or employee involved in the contracting process who is employed by or under contract with a business enterprise with which the ISD is considering entering into a contract, or knows that he or she has a family member who has an ownership interest or is employed by that business enterprise,

the board member, administrator, or employee is required to disclose this information to the ISD board at a public meeting before the ISD board enters into the contract. The ISD board is required to vote at the public meeting on whether or not it considers the relationship to be a conflict of interest. A "family member" means "...a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage." Determination of the existence of a conflict of interest does not prohibit the board from entering into the contract.

Contracts of Public Servants with Public Entities Act

An ISD board member and administrator shall comply with the requirements of the *Contracts of Public Servants with Public Entities Act* [1968 PA 317, MCL 15.321-15.330].

Adopted April 12, 2005