

INTERMEDIATE UNIT 1

No. 009

SECTION: LOCAL BOARD PROCEDURES

TITLE: ETHICS ACT AND CONFLICTS
OF INTEREST

ADOPTED: May 25, 2006

REVISED:

009. ETHICS ACT AND CONFLICTS OF INTEREST

Section 1. Statutory References

- Public Official and Employee Ethics Act, 65 Pa C.S.A. §1101 et seq
- School Code, 24 P.S. §3-324 through 3-327

Section 2. Definitions

Act - The Public Official and Employee Ethics Act, 65 Pa C.S.A. §1101, et seq.

Confidential information - Information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.

Conflict or conflict of interest - Use by a public official or public employee of the authority of his/her office or employment or any confidential information received through his/her holding public office or employment for the private pecuniary benefit of him/herself, a member of his/her immediate family or a business in which s/he or a member of his/her immediate family is associated. The terms do not include an action having a de minimus economic impact or which affects to the same degree a class consisting of the general public or a subclass consisting of an industry, occupation or other group which includes the public official or public employee, a member of his/her immediate family or a business with which s/he or a member of his/her immediate family is associated.

De minimus economic impact - An economic consequence which has an insignificant effect.

Financial interest - Any financial interest in a legal entity engaged in business for profit which comprises more than 5% of the equity of the business or more than 5% of the assets of the economic interest in indebtedness.

Immediate family - A parent, spouse, child, brother or sister.

Public employee - Any individual employed by the intermediate unit who is responsible for taking or recommending official action of a nonministerial nature with regard to (a) contracting or procurement; (b) administering or monitoring grants or subsidies; (c) planning or zoning; (d) inspecting, licensing, regulating or auditing any person; (e) any other activity where the official action has an economic impact of greater than a de minimus nature on the interests of any person.

Public official - Any person elected by the public or elected or appointed by a governmental body, or an appointed official. The term includes the members of the IU 1 Board of Directors.

Section 3. Summary of Policy

This purpose of this policy is to provide a summary of the requirements of the Act as it relates to the intermediate unit.

Section 4. Statement of Intermediate Unit Policy

- a. No public official or public employee shall engage in conduct that constitutes a conflict of interest.
- b. No public official or public employee shall solicit or accept, anything of monetary value, including a gift, loan, political contribution, reward, or promise of future employment based on any understanding of that public official or public employee that the vote, official action or judgment of the public official or public employee would be influenced thereby.
- c. No public official or public employee shall accept an honorarium.
- d. No public official or public employee or his/her spouse or child or any business in which the person or his/her spouse or child is associated shall enter into any contract valued at \$500 or more with the intermediate unit or any subcontract valued at \$500 or more with any person who has been awarded a contract with the intermediate unit unless the contract has been awarded through an open and public process, including prior public notice and subsequent public disclosure of all proposals considered and contracts awarded. In such a case, the public official or public employee shall not have any supervisory or overall administration of the contract.

- e. Any public official or public employee who in the discharge of his/her official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and, prior to the vote being taken, publicly announce and disclose the nature of his/her interest as a public record in a written memorandum filed with the person responsible for recording the minutes of the meeting at which the vote is taken. If the IU 1 Board of Directors is unable to take any action on a matter before it because the number of members of the Board required to abstain from voting under the Act makes the majority or other legally required vote of approval unattainable, then such members shall be permitted to vote if disclosures are made as provided in the Act.
- f. Each member of the IU 1 Board of Directors shall file a statement of financial interests for the preceding calendar year as required by the Act no later than May 1 of each year that s/he serves on the Board. The statement of financial interest shall be on a form prescribed by the State Ethics Commission and shall contain all of the information required by the Act.
- g. No member of the IU 1 Board of Directors shall be allowed to take the oath of office or enter or continue his/her duties unless s/he has filed a statement of financial interests as required by the Act.
- h. Each public employee shall file a statement of financial interests with the intermediate unit no later than May 1 of each year that s/he holds such a position and of the year after s/he leaves such a position.
- i. The solicitor appointed by the IU 1 Board of Directors shall file a statement of financial interests as required by the Act.
- j. No school director shall, during the term for which s/he was elected or appointed, be employed in any capacity by the intermediate unit or receive any pay for services rendered to the intermediate unit.
- k. The Board shall not draw, cause to be drawn or accept a specification for any item to be purchased by the intermediate unit that would limit the purchase of the item to the firm, corporation, partnership or other business entity of which a school director is an officer, agent or employee, and exclude all other persons who could submit quotations or bid on an equivalent item.
- l. No school director shall, directly or indirectly, accept, or receive any money or other valuable things for voting for or against or for withholding his/her vote for or against, any appointment or matter or action that may come before the Board, or any committee of the Board, or any convention of school directors of which s/he is a member.

m. No member of the IU 1 Board of Directors shall demand, request, or accept, directly or indirectly, any gift or donation from any teacher, supervisor or any other individual employed by the intermediate unit.

Section 5. Options, Comments and Additional Considerations

The Act and similar legislation require that public officials and public employees refrain from conflicts of interest (i.e., any action, including a vote, that may benefit the public official or the public employee, a member of his/her family or a business with which s/he is associated). In those situations, which there is any doubt as to the existence of a conflict of interest, specific legal advice should be sought.