



8250: CONFLICT OF INTEREST

A. Contracts Exceeding \$2,000.00

Unless otherwise provided by law, no Board members, or a member of that individual's immediate family, or business with which the Board member is associated, shall enter into a contract valued at \$2,000.00 or more, in any one year, with the District unless the contract is awarded through an open and public process which includes prior public notice and subsequent availability for public inspection during the regular office hours of the District of the proposals considered and the contract awarded. No contract shall be divided for the purpose of evading the requirements of this Policy. This Policy shall not apply to a contract when the Board member does not in any way represent either party in the transaction.

B. Interest in Contracts

Except as provided herein, no Board member may have an interest in any contract to which the Board, or anyone for its benefit, is a party. This prohibition shall apply only when the Board member, his or her parent, spouse, or child (a) has a business association with the business involved in the contract or (b) will receive a direct pecuniary fee or commission as a result of the contract. This prohibition shall not apply if the contract is an agenda item approved at a Board meeting and the Board member:

- 1. Makes a declaration on the record to the Board regarding the nature and extent of his or her interest prior to official consideration of the contract;**
- 2. Does not vote on the matters of granting the contract, making payments pursuant to the contract, or accepting performance of work under the contract, or similar matters relating to the contract, except that if the number of members of the Board declaring an interest in the contract would prevent the Board with all members present from securing a quorum on the issue, then all members may vote on the matters; and**
- 3. Does not act for the District as to inspection or performance under the contract in which he or she has an interest.**

The receiving of deposits, cashing of checks, and buying and selling of warrants and bonds of indebtedness of the District by a financial institution shall not be considered a contract for purposes of this section. The ownership of less than five percent of the outstanding shares of a corporation shall not constitute an interest within the meaning of this section.

C. Employment of Family Members

A Board member may employ, recommend the employment of, or supervise the employment of a member of the Board member's immediate family if he or she does not abuse his or her official position, makes a full disclosure on the record to the Board and a written disclosure to the person in charge of keeping records for the Board, and the Board approves the employment or supervisory position. No Board member shall employ an immediate family member without first having made a reasonable solicitation and consideration of applications for such employment, or an immediate family member who is not qualified for and able to perform the duties of the position, or for any unreasonably high salary, or who is not required to perform the duties of the position. This section shall not apply to an immediate family member of a Board member who (1) was previously employed in a position subject to this section prior to the election or appointment of the Board member, or (2) was employed in a position subject to this section prior to September 1, 2001. Any newly elected or appointed Board member shall make a full disclosure of any immediate family member employed in a position subject to this section prior, upon, to or as soon as reasonably possible after the official date of taking office.

If a Board member's parent, spouse, or child is an employee of the District, the Board member may vote on all issues of any contract which are generally applicable to (a) all employees or (b) all employees within a classification and do not single out his or her parent, spouse, or child for special action.

D. Personal Gain Prohibited

No Board member shall solicit or accept anything of value, including a gift, loan, contribution, reward, or promise of future employment, based on an agreement that the vote, official action, or judgment of the Board member would be influenced thereby.

No Board member shall use or authorize the use of his or her office or any confidential information received through the holding of his or her office to obtain financial gain, other than compensation provided by law, for himself or herself, or a member of his or her immediate family, or a business with which the Board member is associated.

No Board member shall use personnel, resources, property, or funds under his or her official care and control, other than in accordance with prescribed constitutional, statutory and regulatory procedures, or use such items, other than compensation provided by law, for personal financial gain.

E. Definitions

1. "Business with which the individual is associated" or "business association" shall mean a business: (1) in which the individual is a partner, limited liability company member, director, or officer; or (2) in which the individual or a member of the individual's immediate family is a stockholder of closed corporation stock worth one thousand dollars or more at fair market value or which represents more than a five percent equity interest, or is a stockholder of publicly traded stock worth ten thousand dollars or more at fair market value or which represents more than a ten percent equity interest. An individual who occupies a confidential professional relationship protected by law shall be exempt from this section. This section shall not apply to publicly traded stock under a trading account if the filer reports the name and address of the stockholder.

2. "Immediate family" shall mean a child residing in an individual's household, a spouse of an individual, or an individual claimed by that individual or that individual's spouse as a dependent for federal income tax purposes.

Date of Adoption

November 19, 1990

Date of Revision

November 19, 2018

Reaffirmed

December 2, 2002

September 6, 2011

Legal Reference

Neb. Rev. Stat. §§49-1408, 49-1425, 49-1499.03, 49-1499.04, 49-14,101, 49-14,101.01, 49- 14,102, and 49-14,103.01