

3006 Conflicts of Interest

Conflicts

No Teachwell official (hereinafter "school official") may have an interest in a contract nor receive a direct benefit from a contract in amount greater than five thousand dollars or multiple contracts in an amount greater than five thousand dollars with the same party within a twelve-month period to which Teachwell is a party except as provided in this policy.

No school official may have an interest in the sale, proceeds, or profits of any book, apparatus, or furniture to be used in Teachwell.

No teacher may serve as a board member.

Definitions

A school official is any board member, employee, or authorized agent of Teachwell.

A school official has interest in a contract when the person, his or her spouse, or anyone the person lives with and shares assets:

- is employed by a party to any contract with Teachwell
- receives more than nominal compensation or reimbursement for actual expenses for serving on the board of directors of an entity deriving income or commission directly from the contract or acquires property under the contract.

A school official receives a direct benefit from a contract when the person, his or her spouse, or anyone the person lives with and shares assets:

- is a party to or intended beneficiary of any contract held by Teachwell;
- has more than a five percent ownership interest in an entity party to any contract held by Teachwell;
- acquires property under the contract; or
- will receive compensation, commission, promotion, or other monetary benefit directly attributable to any contract with Teachwell.

Exceptions

A school official does not derive a direct benefit from or have interest in a contract:

- based solely on the value associated with the person's publicly-traded investments or holdings, or the investments or holdings of any other person with whom the school official lives or commingles assets;
- by participating in a vote or a decision in which the person's only interest arises from an act of general application;
- based on the person receiving income as an employee or independent contractor of a party with whom the local service agency, school district, or cooperative education service unit has a contract, unless the person receives compensation or a promotion directly attributable to the contract, or unless the person is employed by the party as a board member, executive officer, or other person working for the party in an area related to the contract;
- if the contract is for the sale of goods or services, or for maintenance or repair services, in the regular course of business at a price at or below a price offered to all customers;
- if the contract is subject to a public bidding process;
- if the contract is with the official depository as set forth in South Dakota law;
- based solely on the person receiving nominal income or compensation, a per diem authorized by law or reimbursement for actual expenses incurred;
- if the contract or multiple contracts with the same party within a twelve-month period with whom the local service agency, school district, or cooperative education service unit contracts in an amount less than five thousand dollars.

Authorization by Board

Teachwell may authorize a school official to derive a direct benefit from a contract if it finds the terms of the contract are fair, reasonable, and not contrary to public interest, and the school official has provided full written disclosure to Teachwell of:

- the person's role in the contract;

- the purpose or objective of the contract;
- the consideration or benefit conferred or agreed to be conferred upon each party; and
- the duration of the contract.

Any request for authorization under this policy and subsequent Board action regarding the request are public records and must be recorded in the minutes of the board meeting. Reauthorization of contracts extending into multiple fiscal years is not required.

No board member may vote upon or participate in a decision whether to authorize a contract in which the member derives a direct benefit.

Disclosure of Interests

A school official who has an interest in a contract under this policy for less than \$5,000 shall still disclose the existence of a contract but board authorization is not required for the person to have an interest in the contract.

Disclosure of the interest shall be recorded in the meeting minutes. Disclosure shall also be made at the annual meeting if the contract extends into consecutive fiscal years.

A school official must make this disclosure before entering into the contract or within 45 days after entering into the contract.

Conflict disclosures must be submitted to the board president, director, or finance manager to the next scheduled meeting to be added to the agenda.

Consequences for Violations of Policy

Pursuant to South Dakota law, any contract made which violates this policy is voidable by the school board, and any benefit a school official gains from such a contract is subject to forfeiture. Further, the violation of this policy may result in adverse employment action.

Adopted on: 8/15/2023

Revised on:

Reviewed on: