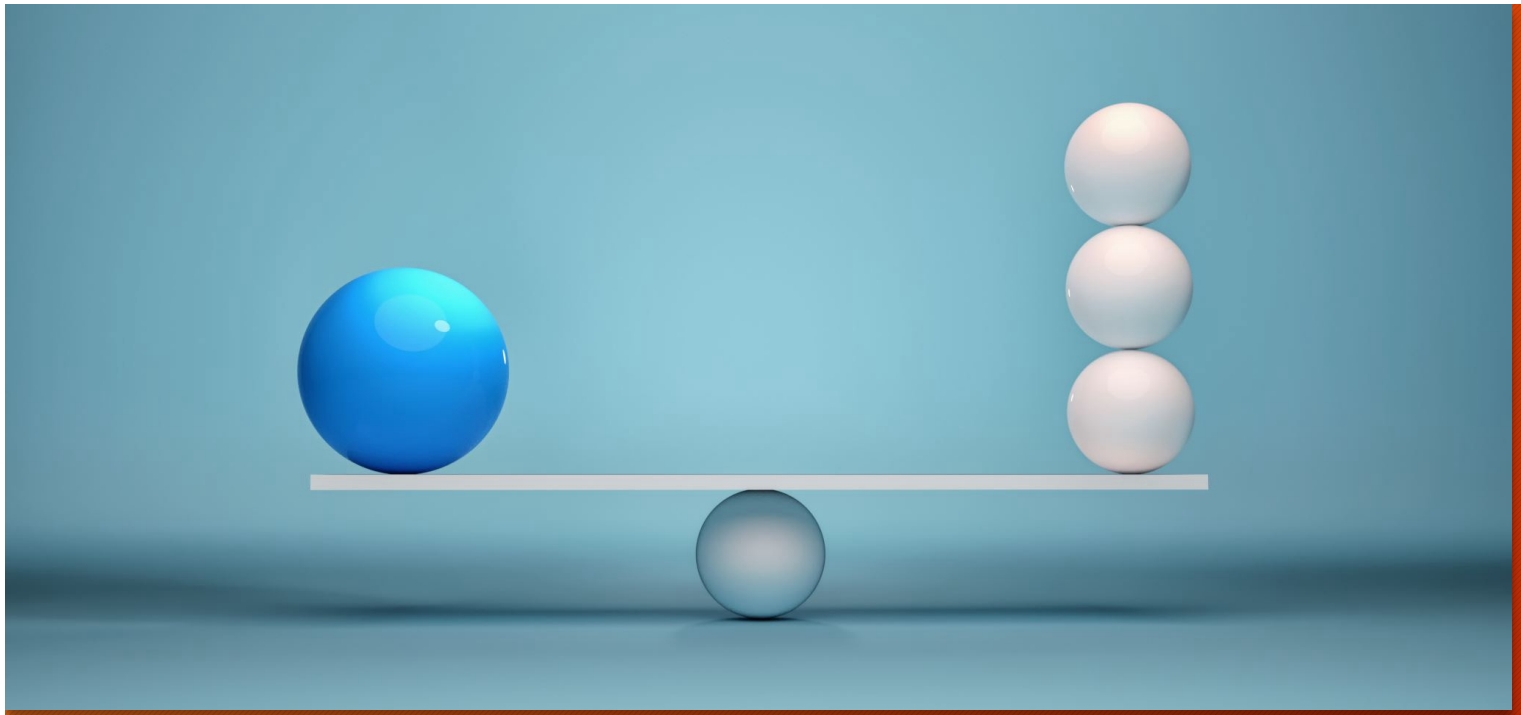


Conflicts of Interest

What they are and how to manage them

What is a conflict of interest?

A conflict of interest occurs when an entity or individual becomes unreliable because of a clash between personal or self-serving interests and professional duties or responsibilities.



When does a conflict occur?

A conflict occurs when a person has a vested interest - such as money, status, knowledge, relationships, or reputation—which puts into question whether the person's actions, judgment, or decision-making can be unbiased.



Policies prohibit conflicted persons from participating in certain decisions.

Good policies prevent the personal interest of board members, staff members, volunteers, and supporters from interfering with the performance of their duties to the school.

Good policies also prevent personal, financial, professional, or political gain on the part of conflicted persons at the expense of the school's students, parents, employees.



What are board member conflicts of interest?

A school board member has a conflict of interest when their personal, financial, or family relationships interfere—or appear to interfere—with their duty to act in the best interest of the school.

Examples of board member conflicts of interest.

- A board member owns, works for, or has a financial stake in a company that bids on or receives a school contract.
- A relative of a board member owns a business that contracts with or provides services to the school.
- A board member receives non-standard perks, free facility rentals (outside of public policy), or improper gifts from vendors doing business with the school.



Other examples of conflicts of interest.



- The board votes on hiring, promoting, or disciplining a spouse, child, sibling, or household member who is a school employee.
- A board member tries to micro-manage day-to-day staff operations or bypasses the administration to direct employees, creating role confusion.
- Serving on the board or leadership teams of schools, rival private institutions, or organizations competing for the same grants or marketing demographic.

More examples of conflicts of interest.



A staff member of an organization receives payment from the school for any subcontract, goods, or services other than as part of the staff member’s regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws, board policy, or administrative protocols.

A board member's organization receives grant funding from the school.

A board member or staff member is a member of the governing body of a contributor to the school.

Watch out for financial conflicts of interest!



A financial conflict of interest occurs when a personal financial gain could improperly influence an individual's professional judgment, decisions, or duties.

Anyone in a position to make decisions about spending the school's resources, such as purchase contracts, who also stands to benefit from that decision, has a duty to disclose that conflict as soon as it arises.

What to do when conflicts arise?

Conflicts exist in almost every institution and can be resolved by:

- Disclosing conflicts
- Removing conflicted persons from specific discussions and decisions
- Creating on-going structures that resolve specific conflicts



The Board decides if there is a conflict.

- The Board of Directors has the ultimate authority to decide whether a conflict of interest exists, though the Executive Director usually manages conflicts related to staff.
- If the Board determines a conflict exists, the Board takes whatever action is deemed necessary to resolve the conflict and protect the school's interests.



The law requires board members to disclose and resolve conflicts.

The Utah Public Officers' and Employees' Ethics Act, UCA 67-16-4 states, in pertinent part: "it is an offense for a public officer ... to

a). Engage in any ... professional activity that he might reasonably expect would ... induce him to improperly disclose controlled information that he has gained by reason of his official position;

b). Use or attempt to use his official position to secure special privileges for others;

c). Accept employment that he might expect would impair his independence of judgement in the performance of his public duties; or

d). Accept other employment that he might expect would interfere with the ethical performance of his public duties."

