

BOARD MEMBER CONFLICT OF INTEREST

The Board and individual members will follow the letter and spirit of the law regarding conflicts of interest. As public officials holding the respect and trust of the community, Board members will not use the office for personal advantage.

A Board member may not participate in discussing or voting on any issue in which the member has a conflict of interest. Each member shall decide if any potential conflict of interest requires such member to be disqualified from participating in discussion or voting. However, no member may participate in discussing or voting on an issue if the member has a direct financial interest in the matter before the Board, or the majority of the remaining Board members vote that the member has an identifiable conflict of interest that prohibits the member from voting on a specific matter.

Except as set forth below, a Board member will not have any direct financial interest in a contract with the School District, nor furnish directly any labor, equipment or supplies to the district, nor be employed for pay as an employee in the same School District in which the Board member serves.

Contracts between the School District and Board members, or businesses, companies, firms, associations, corporations, or cooperative associations in which Board members are owners, officers, managers or directors, shall not be prohibited so long as any of the following conditions exist at the time the contract is entered into:

1. Any contract involving \$3,000.00 or less, provided that the consideration therefore is reasonable and just;
2. Any contract involving more than \$3,000.00 but less than the amount for which competitive bidding is required by South Dakota statute, if there is no other source of supply or services available within the Watertown School District, provided that the consideration therefore is reasonable and just, and further provided that the cumulative total of such contract paid during any given fiscal year does not exceed the amount specified in SDCL 5-18-3;
3. Any contract for which competitive bidding is not required and where other sources of supply and services are available within the Watertown School District, and the consideration therefore is reasonable and just, unless the majority of the School Board are owners, members or shareholders of the business, company, firm, association, corporation, or cooperative association who collectively have a controlling interest, or any Board member is an owner, officer, or manager of any business, company, firm, association, corporation, or cooperative association;

4. Any contract with any individual, business, company, firm, association, corporation, or cooperative association for which competitive bidding procedures are followed pursuant to SDCL Chapter 5-18, and where more than one such competitive bid is submitted.
5. Any contract for professional services with any individual, business, company, firm, association, corporation, or cooperative association if the individual, or any member of the business, company, firm, association, corporation, or cooperative association is an elected or appointed member of the School Board, whether or not other sources of such services are available, provided the consideration therefore is reasonable and just;
6. Any contract for commodities, materials, supplies, or equipment found in the state price list established pursuant to SDCL 5-23-8.1, at the price there established or below; and
7. Any contract or agreement between the School District and a post secondary educational institution when an employee of the Board of Regents serves as an elected or appointed School Board member, provided the School Board member does not receive direct compensation or payment as a result of the contract or agreement.
8. A bank may be designated as the official depository of School District funds, notwithstanding that any officer, director, stockholder or employee of the bank is an elected or appointed officer or treasurer of the School District.

NEPOTISM

The spouse of a Board member can only be employed by a unanimous vote of the remaining Board members.

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07/12/04
09/08/08