

MONTGOMERY  
 COUNTY  
 INTERMEDIATE  
 UNIT #23

SECTION: OPERATIONS  
 TITLE: CONFLICT OF INTEREST  
 ADOPTED: June 22, 2016  
 REVISED:

827. CONFLICT OF INTEREST	
1. Purpose	This policy shall affirm standards of conduct established to ensure that Board members and employees avoid potential and actual conflicts of interest, as well as the perception of a conflict of interest.
2. Definitions 65 Pa. C.S.A. Sec. 1101 et seq	<b>Confidential information</b> shall mean information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.
65 Pa. C.S.A. Sec. 1101 et seq	<b>Conflict</b> or <b>Conflict of interest</b> shall mean use by a Board member or Intermediate Unit employee of the authority of their office or employment, or any confidential information received through their holding public office or employment, for the private pecuniary benefit of themselves, a member of their immediate family or a business with which they or a member of their immediate family is associated. The term does not include an action having a de minimis 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 Board member or Intermediate Unit employee, a member of their immediate family or a business with which they or a member of their immediate family is associated.
65 Pa. C.S.A. Sec. 1101 et seq	<b>De minimis economic impact</b> shall mean an economic consequence which has an insignificant effect.
65 Pa. C.S.A. Sec. 1101 et seq	<b>Financial interest</b> shall mean any financial interest in a legal entity engaged in business for profit which comprises more than five percent (5%) of the equity of the business or more than five percent (5%) of the assets of the economic interest in indebtedness.
65 Pa. C.S.A. Sec. 1101 et seq	<b>Honorarium</b> shall mean payment made in recognition of published works, appearances, speeches and presentations, and which is not intended as consideration for the value of such services which are nonpublic occupational or professional in nature. The term does not include tokens presented or provided which are of de minimis economic impact.

<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p><b>Immediate family</b> shall mean a parent, parent-in-law, spouse, child, spouse of a child, brother, brother-in-law, sister, sister-in-law, or the domestic partner of a parent, child, brother or sister.</p> <p><b>Business partner</b> shall mean a person who, along with another person, plays a significant role in owning, managing, or creating a company in which both individuals have a financial interest in the company.</p>
<p>3. Delegation of Responsibility</p>	<p>Each employee and Board member shall be responsible to maintain standards of conduct that avoid conflicts of interest. The Board prohibits members of the Board and Intermediate Unit employees from engaging in conduct that constitutes a conflict of interest as outlined in this policy.</p>
<p>4. Guidelines</p>	<p>All Board members and employees shall be provided with a copy of this policy and acknowledge in writing that they have been made aware of it. Additional training shall be provided to designated individuals.</p> <p><u>Disclosure of Financial Interests</u></p>
<p>Pol. 004</p>	<p>No Board member shall be allowed to take the oath of office or enter or continue upon their duties, nor shall they receive compensation from public funds, unless they have filed a statement of financial interests as required law.</p>
<p>65 Pa. C.S.A. Sec. 1104 Title 51 Sec. 15.2</p>	<p>The Intermediate Unit solicitor and designated Intermediate Unit employees shall file a statement of financial interests as required by law and regulations.</p> <p><u>Standards of Conduct</u></p>
<p>2 CFR Sec. 200.318</p>	<p>The Intermediate Unit maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees and Board members engaged in the selection, award and administration of contracts.</p>
<p>2 CFR Sec. 200.318</p>	<p>No employee or Board member may participate in the selection, award or administration of a contract supported by a federal award if they have a real or apparent conflict of interest as defined above, as well as any other circumstance in which the employee, Board member, any member of their immediate family, their business partner, or an organization which employs or is about to employ any of them, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.</p>

<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>The Intermediate Unit shall not enter into any contract with a Board member or employee, or their spouse or child, or any business in which the person or their spouse or child is associated valued at \$500 or more, nor in which the person or spouse or child or business with which associated is a subcontractor unless the Board has determined it is in the best interests of the Intermediate Unit to do so, and 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 Board member or employee shall not have any supervisory or overall responsibility for the implementation or administration of the contract.</p> <p>When advertised formal bidding is not required or used, an open and public process shall include at a minimum:</p> <ol style="list-style-type: none"> <li>1. Public notice of the intent to contract for goods or services;</li> <li>2. A reasonable amount of time for potential contractors to consider whether to offer quotes; and</li> <li>3. Post-award public disclosure of who made bids or quotes and who was chosen.</li> </ol>
<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>Any Board member or employee who in the discharge of their 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 their interest as a public record.</p>
<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p>No public official or public employee shall accept an honorarium.</p>
<p>2 CFR Sec. 200.318 Pol. 322</p>	<p>Board members and employees may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of a nominal value may be accepted in accordance with Board policy.</p>
<p>65 Pa. C.S.A. Sec. 1101 et seq</p>	<p><u>Improper Influence</u></p> <p>No person shall offer or give to a Board member, employee or nominee or candidate for the Board, or a member of their immediate family or a business with which they are associated, anything of monetary value, including a gift, loan, political contribution, reward or promise of future employment based on the offeror's or donor's understanding that the vote, official action or judgment of the Board member, employee or nominee or candidate for the Board would be influenced thereby.</p>



Any perceived conflict of interest of a Board member that is detected or suspected by any employee or third party shall be reported to the Board President. If the Board President is the subject of the perceived conflict of interest, the employee or third party shall report the incident to the Executive Director, who shall report the incident to the solicitor.

No reprisals or retaliation shall occur as a result of good faith reports of conflicts of interest.

Investigation

Investigations based on reports of perceived violations of this policy shall comply with state and federal laws and regulations. No person sharing in the potential conflict of interest being investigated shall be involved in conducting the investigation or reviewing its results.

In the event an investigation determines that a violation of this policy has occurred, the violation shall be reported to the federal awarding agency in accordance with that agency's policies.

Disciplinary Actions

If an investigation results in a finding that the complaint is factual and constitutes a violation of this policy, the Intermediate Unit shall take prompt, corrective action to ensure that such conduct ceases and will not recur. Intermediate Unit staff shall document the corrective action taken and, when not prohibited by law, inform the complainant.

Violations of this policy may result in disciplinary action up to and including discharge, fines and possible imprisonment. Disciplinary actions shall be consistent with Board policies, procedures, applicable collective bargaining agreements and state and federal law.

References:

State Ethics Commission Regulations – 51 PA Code Sec. 15.2

Public Official and Employee Ethics Act – 65 Pa. C.S.A. Sec. 1101 et seq.

Uniform Administrative Requirements for Federal Awards, Title 2, Code of Federal Regulations – 2 CFR Sec. 200.318

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