

1 **Charlo School District**

2  
3 **THE BOARD OF TRUSTEES**

1512

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4  
5 Conflict of Interest

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7 A trustee may not:

- 8
- 9 1. Engage in a substantial financial transaction for the trustee's private business purpose,  
10 with a person whom the trustee inspects or supervises in the course of official duties.  
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  - 12 2. Perform an official act directly and substantially affecting, to its economic benefit, a  
13 business or other undertaking in which the trustee either has a substantial financial  
14 interest or is engaged as counsel, consultant, representative, or agent.  
15
  - 16 3. Act as an agent or solicitor in the sale or supply of goods or services to a district.  
17
  - 18 4. Have a pecuniary interest, directly or indirectly, in any contract made by the Board, when  
19 the trustee has more than a ten percent (10%) interest in the corporation. A contract does  
20 not include: 1) merchandise sold to the highest bidder at public auctions; 2) investments  
21 or deposits in financial institutions that are in the business of loaning or receiving money,  
22 when such investments or deposits are made on a rotating or ratable basis among  
23 financial institutions in the community or when there is only one (1) financial institution  
24 in the community; or 3) contracts for professional services other than salaried services or  
25 for maintenance or repair services or supplies when the services or supplies are not  
26 reasonably available from other sources, if the interest of any Board member and a  
27 determination of such lack of availability are entered in the minutes of the Board meeting  
28 at which the contract is considered.  
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  - 30 5. Be employed in any capacity by the District, with the exception of officiating at athletic  
31 competitions under the auspices of the Montana Officials Association.  
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  - 33 6. Perform an official act directly and substantially affecting a business or other  
34 undertaking to its economic detriment when the officer or employee has a substantial  
35 personal interest in a competing firm or undertaking.  
36
  - 37 7. Appoint or renew to a position of trust or emolument any person related or connected by  
38 consanguinity within the fourth (4<sup>th</sup>) degree or by affinity within the second (2<sup>nd</sup>) degree.  
39
    - 40 a. This prohibition does not apply to the issuance of an employment contract to a  
41 person as a substitute teacher who is not employed as a substitute teacher for more  
42 than thirty (30) consecutive school days.
    - 43 b. This prohibition does not apply to the renewal of an employment contract of a  
44 tenured teacher or classified employee employed without a written contract for a  
45 specific term related to a Board member, who was initially hired before the Board  
46 member assumed the trustee position.

- c. This prohibition does not apply if trustees comply with the following requirements: 1) **All trustees**, except the trustee related to the person to be employed or appointed, vote to employ the related person; 2) the trustee related to the person to be employed abstains from voting; and 3) the trustees give fifteen (15) days written notice of the time and place of their intended action in a newspaper of general circulation in the county where the school is located.

Legal Reference:      Section 20-9-204, MCA – Conflicts of Interest  
                                 Section 20-1-201, MCA – School Officials not to Act as Agents  
                                 Section 2-3-302, MCA - Nepotism  
                                 Section 2-2-103, MCA – Public Trust  
                                 Section 2-2-104, MCA – Rules of Conduct  
                                 Section 2-2-105, MCA – Ethical Requirements  
                                 Section 2-2-121, MCA – Rules of Conduct

Policy History:

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