

## 04-05. Conflicts of Interest

<b>Internal Policies and Procedures of the Utah State Board of Education</b>
<b>Policy # 04-05</b>
<b>Subject:</b> Conflicts of Interest
<b>Effective Date:</b> 10/6/2010 <b>Revision Dates:</b> 3/12/2018
<b>Purpose:</b> To ensure that private or outside economic, social, or political activities of a USBE employee do not interfere (or have the appearance of interfering) with an employee’s duties and responsibilities as an agent of the State, or raise a reasonable question about the potential for such interference.
<b>Policy:</b> <ul style="list-style-type: none"><li>• This policy applies to all full-time, part-time, or contract employees; as well as volunteers.</li><li>• USBE employees shall comply with all provisions of Utah Code Chapter 67, Part 16, Utah Public Officers' and Employees' Ethics Act; Department of Human Resources Management Rule R477-9, as well as all provisions of this policy.</li><li>• A USBE employee may not accept outside employment that creates a conflict of interest; have substantial interest in a business that creates a conflict of interest; or participate in any activity, including volunteer activity that is a conflict of interest.</li><li>• Responsibility to comply with the Ethics Act, Department of Human Resource Management Rules, and this policy rests with individual employees. It is not the responsibility of the Superintendency to keep employees out of conflict of interest situations.</li><li>• USBE employees shall receive a copy of this policy and be informed of this policy by their supervisor upon hire.</li></ul>
<b>References:</b> Utah Code Chapter 67, Part 16, Utah Public Officers’ and Employees’ Ethics Act; DHRM Administrative Rule <a href="#">R477-9, Employee Conduct</a>

### Procedures:

- “Conflict of interest activity” means a situation where a USBE employee's private or outside economic, social, political, or volunteer interests interfere (or have the appearance of interfering) with that employee's duties and responsibilities as an agent of the State.
  - A situation creating a conflict of interest includes accepting outside employment that creates a conflict of interest, having a substantial interest in a business that creates a conflict of interest, or participating in activities (including volunteer activities) that create a conflict of interest.

- “Substantial Interest” means the ownership, either legally or equitably, by a USBE employee, their spouse, or their children, of at least 10% of the outstanding capital stock of a corporation or at least 10% in any other business entity.

### **Annual Reporting**

- A USBE employee shall annually complete the USBE Potential Conflict of Interest Declaration in the AAA Section of the employee’s UPM.
  - If the employee identifies a potential conflict of interest activity, DHRM reviews the potential conflict with the Superintendentcy.
  - The Superintendentcy may determine that a conflict of interest exists and may prohibit the employee from engaging in the activity that creates the conflict.

### **Reporting Potential conflicts outside of the Annual Report**

- Prior to engaging in an activity (outside of religious activities) that may constitute a conflict of interest, a USBE employee shall report this to the employee’s supervisor and complete the USBE Potential Conflict of Interest Declaration.
  - Whenever an employee’s position with regard to such outside employment or activities changes, a new declaration shall be filed before the change takes place, or within 30 days of such change if it is not possible to submit the declaration beforehand.
- An employee seeking approval to engage in outside employment or other activities that may constitute a conflict of interest shall supply relevant information to the employee’s supervisor regarding the activity or employment, and how it overlaps with USBE employment duties.
  - Relevant information may include position, authority, decision making involvement, contacts, clients, programs, access to information, interaction with government, location, etc.
- The employee’s supervisor shall consult with DHRM and report any potential conflicts of interest to the applicable Deputy Superintendent.
- If the decision is made to deny the employee, the employee shall be informed in writing that the activity considered is a conflict of interest.
- A USBE Potential Conflict of Interest Declaration that covers one of the following situations shall be forwarded to the applicable Deputy Superintendent for approval:
  - Outside employment exceeding 20 hours per week;
  - Outside employment with a contractor who currently provides services to clients of the USBE;
  - Outside work involves (a) providing services to a current client of the USBE or to a person who has been a client within the preceding six months, (b) the employee has or previously had direct work-related contact with the client, and (c) the outside work involves a fee when such fees are paid directly to the employee, a relative of the employee, or a business owned wholly or in part by the employee.

- The outside volunteer service includes service on a policy making or advisory board of an institution or agency that does business with the USBE.
- Supervisors may convene a panel to review a USBE Potential Conflict of Interest Declaration.
- The panel will consider the following criteria in making their recommendation:
  - Does the outside employment interfere with efficient performance of the employee's position with the state?
  - Does the outside employment conflict with the interests of the USBE or the state of Utah?
  - Is the employment the type that could reasonably give rise to criticism or suspicion of conflicting interests or duties?
  - Would the outside employment provide a proven benefit to the state?
  - Would failure to approve the outside employment prove an extreme hardship to the client or employee?
- A written record denying a request for involvement in an outside employment or activity shall be filed in the employee's personnel folder.
- A USBE employee may appeal a decision, in writing, to the Superintendent.