

**TRUSTEE  
DISCLOSURE  
REQUIREMENTS  
FOR GIFTS  
OVER \$100**

~~Trustees shall file with the District's records administrator a conflicts disclosure statement with respect to an applicable vendor if the vendor has contracted with the District or the District is considering doing business with the vendor, and the Trustee or Trustee's family member has received food, lodging, transportation, or entertainment accepted as a guest from the vendor with an aggregate value of more than \$100 in the 12-month period preceding the date the Trustee becomes aware that such a contract has been executed, or the Board is considering doing business with the vendor.~~

**FILING  
REQUIREMENT  
S FOR TRUSTEE  
DISCLOSURE  
REQUIREMENT  
S FOR GIFTS  
OVER \$100**

~~The conflicts disclosure statement for gifts over \$100 must be filed with the records administrator of the District no later than 5:00 p.m. on the seventh day after the date on which the Trustee becomes aware of the facts that require filing of the statement.~~

**DEFINITION**

A "conflict of interest" is any circumstance that could cast doubt on a Trustee's ability to act with total objectivity with regard to the District's interests. A Trustee's loyalty to the District must be free from any conflicting interests.

A conflict arises when the Trustee or any member of the Trustee's family, or an organization that employs or is about to employ a Trustee or a member of the Trustee's family, has a substantial financial or other interest in the firm selected for an award. As used herein, "Trustee's Family" shall include persons related to the Trustee by consanguinity (blood) within the third degree or by affinity (marriage) within the second degree.

An individual's relatives within the third degree by consanguinity are the individual's:

1. Parent or child (first degree)
2. Brother, sister, grandparent, or grandchild (second degree); and

3. Great-grandparent, great-grandchild, aunt, or uncle (who is a sibling of a parent of the person), nephew or niece (who is a child of a brother or sister of the person) (third degree)

Two persons are related to each other by affinity (marriage) if they are married to each other or if the spouse of one of the persons is related by consanguinity to the other person. (See DBE (Legal) and DBE (Exhibit)).

This provision will also include any Trustee's partner or any other person who resides in the same household. A "substantial or other interest" shall be as defined in Local Government Code Section 171.002.

As used herein, the term "entity" applies to all individuals, sole proprietorships, businesses, boards, organizations, nonprofit corporations, religious, educational, non-governmental organizations and governmental institutions, whether incorporated or not, that a Trustee knows, or has reason to know, has, is interested in or is likely to become interested in any contract, purchase, payment, claim or transaction with or against the District.

A Trustee is considered to have a conflict of interest when:

The Trustee or any member of the Trustee's family has a substantial or other interest as a result of the Trustee's position with the District;

The Trustee has the opportunity to influence the District's business, administrative, or other material decisions in a manner that leads to personal gain or advantage to the Trustee or the Trustee's family; or

The Trustee has any existing or potential financial or other significant interest that impairs or might appear to impair the Trustee's independence in the discharge of the Trustee's responsibilities to the District.

Trustees are encouraged to interact with other elected officials, work for organizations or serve on boards that are interested in furthering the Mission of the District, provided that such service does not interfere with the Trustee's responsibilities. Work or service with any organization or Board, whether incorporated or not, is a conflict of interest and shall be subject to the disclosure, recusal and abstention requirements set forth in this policy.

**TRUSTEE GIFTS  
OR GRATUITIES**

**Trustees are prohibited from accepting anything of value or benefit including but not limited to entertainment, sports tickets, travel, food, and lodging from any person or entity the Trustee knows or has reason to know, has, is interested in or is likely to become interested in any contract, purchase, payment, claim or transaction with or against the District beyond an aggregate from the person or entity of less than \$50 in any one year to an individual Trustee or the Trustee's Family. This provision shall not apply to gifts, things of value, benefits received because of kinship, or benefits or things of value to which the Trustee or the Trustee's Family is lawfully entitled or for which the Trustee gives legitimate consideration in a capacity other than as a Trustee. This provision shall not apply to honoraria or expenses authorized by Texas Penal Code Section 36.07.**

**DISCLOSURE  
REQUIREMENTS**

**Each Trustee shall provide the administrator overseeing the Office of Board Services a conflict of interest disclosure statement, as adopted by the Texas Ethics Commission, and information necessary for the District's financial management report. [Local Government Code 176.003-.004 and BR]. Trustee disclosures shall be posted on the District's website under Board of Trustees with each Trustee's biography.**

**TIMING**

**Unless required earlier by law, each Trustee shall, by 5:00 p.m. on January 15 and July 15 of each year, file with the District's administrator overseeing the Office of Board Services the conflict of interest disclosure statement. If a conflict of interest develops accidentally or unexpectedly, the matter shall be reported within 7 business days from its discovery. The January 15 report will cover activities during the preceding six months of July 1 through December 31, and the July 15 report will cover activities during the preceding six months of January 1 through June 30. The administrator overseeing the Office of the Board Services shall be responsible for providing a copy of every disclosure statement to the District's custodian of records and the District's webmaster. Trustee disclosures shall be posted on the District's website as soon as practicable upon receipt by the administrator overseeing the Office of the Board Services.**

**RECUSAL**

**In addition to disclosing all conflicts, the Trustee with the conflict shall also refrain from participating in any discussion regarding any contract or proposed contract with any entity in which the Trustee has a conflict of interest by leaving the room during any such discussion.**

**ABSTENTION**

**In addition to disclosure and recusal from any discussion of a contract in which a Trustee has a conflict, the Trustee shall also abstain from any vote or decision on any matter involving the conflict.**

**CONSEQUENCES OF FAILURE TO DISCLOSE**

**Failure by a Trustee to disclose such interest may result in the debarment, for 12 months, of any such vendor. Nothing in this policy excuses a vendor from strict compliance with CHE (LOCAL).**

**REMEDY FOR INADVERTANT FAILURE TO DISCLOSE**

**In the event of an inadvertent failure of a Trustee to disclose such conflict, the Board, by a majority vote, may reinstate a vendor's privileges.**

**FINANCIAL INTEGRITY**

**The use of District funds or assets for any unethical purpose is prohibited.**

**PROHIBITED CONTRACTS**

**The District may not enter into a contract with an entity if a Trustee or the Trustee's spouse has a substantial interest in the contract. As used herein, the term "Substantial Interest" means:**

1. **The Trustee or the Trustee's spouse**
  - a. **controls at least ten percent of the voting stock or shares of the entity, or**
  - b. **will receive more than ten percent of the value of the contract, or \$15,000 in income from the contract; or**
2. **Funds received by the Trustee or Trustee's spouse from the contract will exceed ten percent of the gross income of the Trustee or the Trustee's spouse for the previous year.**

**DISCLOSURE  
REQUIREMENT**

**As soon as a Trustee learns of a potential “Prohibited Contract” as defined in this policy, but in no event not less than five (5) days from the posting of the agenda of which the board is to take action on the “ Prohibited Contract”, the Trustee shall disclose the conflict by filing with the administrator overseeing the Office of Board Services a statement identifying, the contract in which the Trustee or the Trustee’s spouse has a substantial interest (see BBFA Exhibit). Trustee disclosures shall be posted on the District’s website under Board of Trustees with each Trustee’s biography.**

**CONTRACTS  
WITH  
TRUSTEE’S  
FAMILY  
MEMBERS**

**The District may not contract with an entity in which a member of the Trustee’s Family (excluding their spouse or partner as identified in the definitions ) has a Substantial Interest in a contract, absent the required disclosure, recusal and abstention.**

**FAMILY  
MEMBER  
DISCLOSURE  
REQUIREMENT**

**Prior to the District contracting with an entity in which a member of the Trustee’s Family (excluding their spouse or partner as identified in the definitions ) has a Substantial Interest in a contract, the Trustee shall provide the administrator overseeing the Office of Board Services a conflict of interest disclosure statement, identifying the contract in which the Trustee’s Family Member has a Substantial Interest. Furthermore, the Trustee shall recuse themselves and abstain from all discussions and votes pertaining to the contract (see BBFA Exhibit).**

**GRAND-  
FATHERED  
CONTRACTS**

**All contracts executed prior to the effective date of this policy shall continue to be in full force and effect. Upon termination of the current contract term, this policy shall be applied to any contract renewal.**

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