

**MANCHESTER CITY SCHOOLS**  
**Policy Manual**

**Descriptor Code:** 1.107 Board Member Conflict of Interest  
**Issued Date:** 07/19/93  
**Rescinds:**  
**Rescind Date:**  
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A board member shall not be directly interested in any contract in which the Board may be interested. "Directly interested" means any contract with the board member or with any business in which the board member is sole proprietor, a partner, or the person having controlling interest. "Controlling interest" shall include the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

This policy shall not prohibit any board member from voting on the school budget or any budget amendments, unless the vote is on a specific budget amendment in which such board member is directly interested.

A board member shall not be indirectly interested in any contract in which the Board may be interested unless the board member publicly acknowledges such interest. "Indirectly interested" means any contract in which the board member is interested but not directly so, as defined above, including contracts in which the board member may have a direct interest but is the sole supplier of goods or services in the county.

Any board member who is an employee of the county/city and whose employment predates his/her initial election/appointment to the Board may vote on matters in which he/she has a conflict of interest if the member informs the Board immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens the Board represents." The vote of any board member having a conflict of interest who does not inform the Board of such conflict shall be void if challenged during the same board meeting at which the vote was cast and prior to the transaction of any further business by the Board.

Any board member who is also an employee of the county/city and whose employment began on or after the date on which he/she was initially elected/appointed to serve on the Board shall not vote on matters in which he has a conflict of interest.

If a board member has a conflict of interest in a matter to be voted on by the Board, he/she may abstain for cause by announcing such to the chairman. Any board member who abstains from voting for cause on any issue coming to a vote before the Board shall not be counted for the purpose of determining a majority vote.<sup>1</sup>

**PENALTY FOR UNLAWFUL INTEREST**

If a board member becomes directly or indirectly interested in any such contract, he/she shall forfeit all pay and compensation and shall be dismissed from the Board and be ineligible to serve in the same or similar position for ten (10) years.<sup>2</sup>

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**Legal Reference:**

1. [TCA 12-4-101\(c\)\(3\)\(A\)\(B\)](#)
2. [TCA 12-4-102](#)

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**Cross References**