

**NORTHVILLE PUBLIC SCHOOLS  
Northville, Michigan**

**BOARD POLICY**

**CONTRACTS WITH BOARD MEMBERS**

1. Except for contracts specified in section 5 below, a Board Member shall comply with the disclosure provisions of section 2 of this policy in contracts where:
  - a. The Board Member is a direct party to any contract between himself/herself and the District;
  - or
  - b. The Board Member, directly or indirectly, solicits, negotiates, re-negotiates, represents a party to, or is an indirect party to, any contract with the School District and (i) any firm, meaning a co-partnership or other unincorporated association, of which he/she is a partner, member, or employee, (ii) any private corporation in which he/she is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000.00 if the stock is listed on a stock exchange or of which he/she is a director, officer, or employee, (iii) any trust of which he/she is a beneficiary or trustee.
2. A Board Member shall promptly disclose any pecuniary interest in the contract to the Board, which disclosure shall be a matter of record in its official proceedings. This disclosure shall be made in the following ways:
  - a. If the contract is for emergency repairs or services, the Board Member must promptly disclose any pecuniary interest in the contract which disclosure shall be made a matter of record in the Board's official proceedings.
  - b. If the Board Member will directly benefit from a school district contract in an amount less than \$250 and less than 5% of the public cost of the contract, the Board Member must disclose his/her pecuniary interest in the contract by filing a sworn affidavit with the Board of Education.
  - c. If the Board Member will benefit by \$250 or more, or 5% or more of the public cost of the contract, his/her pecuniary interest must be disclosed in one of two ways:
    1. By notifying, in writing, the President of the Board of Education of his/her interest at least seven days before the meeting at which a decision regarding the contract will be made. If the President of the Board of Education is the individual with the conflict of interest, disclosure must be made to the Secretary of the Board. The disclosure shall be made public in the same manner as a public meeting notice;
    - or
    2. By disclosing his/her interest in the contract at a Board meeting. Under this option, the Board of Education cannot vote on the relevant contract until at least seven days after the meeting at which the disclosure was made.

- d. If the Board Member's pecuniary interest in the contract exceeds \$5,000, the Board Member must disclose his/her interest in the contract at a Board meeting, and the Board cannot vote on the relevant contract until at least seven days after the meeting at which the disclosure was made.
3. Except as provided for in section 4 below, the contract must be approved by a vote of not less than 2/3 of the full membership of the Board of Education in open session without the vote of the Board Member making the disclosures specified in section 2.

The Board of Education must disclose the following summary information in its official minutes:

- a. The name of each party involved in the contract;
  - b. The terms of the contract, including duration, financial consideration between parties, facilities or services of the District included in the contract, and the nature and degree of assignment of employee of the District for fulfillment of the contract; and
  - c. The nature of any pecuniary interest.
4. If 2/3rds of the members of the Board of Education are not eligible under this policy to vote on a contract or to constitute a quorum, a member may be counted for purposes of a quorum and may vote on the contract if the member will directly benefit from the contract in an amount less than \$250.00 and less than 5% of the public cost of the contract and the member files a sworn affidavit to that effect with the official body. The affidavit shall be made a part of the public record of the official proceedings.
5. This policy shall not apply to:
    - a. Contracts between the District and another public entity;
    - b. Contracts awarded to the lowest qualified bidder, other than a Board Member, upon receipt of sealed bids pursuant to a published notice therefore provided such notice does not bar, except as authorized by law, any qualified person, firm, corporation or trust from bidding. Amendments or re-negotiations of a contract or additional payments thereunder which were not authorized by the contract at the time of award are not excluded from the requirements of sections 2 through 4 above; and
    - c. Contracts for public utility services where the rates therefore are regulated by the state or federal government.

Adopted: November 9, 1992  
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