

**NORTHVILLE PUBLIC SCHOOLS
Northville, Michigan**

BOARD POLICY

CONTRACTS WITH EMPLOYEES

1. Except for contracts specified in section 5 below, an employee who is paid for working more than an average of 25 hours per week by the District shall not:
 - a. Be party to any contract between himself/herself and the District.
2. An employee who is paid for working more than an average of 25 hours per week by the District shall not:
 - a. Directly or indirectly, solicit, negotiate, re-negotiate, represent a party to, or be an indirect party to, any contract between the 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.
3. An employee who is paid for working an average of 25 hours per week or less by the District shall comply with the disclosure provisions of this section 3 in contracts described in subsections 1a. and 2a. of this policy. He/She shall promptly disclose any pecuniary interest in the contract to the Board of Education 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 employee 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 employee will directly benefit from a District contract in an amount less than \$250 and less than 5% of the public costs of the contract the employee must disclose his/her pecuniary interest in the contract by filing a sworn affidavit with the Board of Education.
 - c. If the employee 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. 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 may not vote on the relevant contract until at least seven days after the meeting at which the disclosure was made.
 - d. If the employee's pecuniary interest in the contract exceeds \$5,000, the employee must disclose his/her interest in the contract at a Board meeting, and the Board of Education may not vote on the relevant contract until at least seven days after the meeting at which the disclosure was made.
4. Contracts identified in section 3 must be approved by a vote of not less than 2/3 of the full membership of the Board of Education in open session.

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 school district included in the contract, and the nature and degree of assignment of employee of the school district for fulfillment of the contract; and
 - c. The nature of any pecuniary interest.
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 an employee of the District, 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 3 above;
 - c. Contracts for public utility services where the rates therefore are regulated by the state or federal government; and
 - d. Individual employee employment contracts and collective bargaining Agreements.

Adopted: November 9, 1992
Reaffirmed: October 1996
Revised: March 23, 1998
Reaffirmed: August 2001
Reaffirmed: September 24, 2002
Reaffirmed: December 2005
Reaffirmed: December 2008
Reaffirmed: September 2011