

(NEW POLICY)
POLICY TITLE: Related Party Transactions
POLICY NO: 881
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Related party transactions are not allowed in the district, regardless of the fund source, unless board approval is obtained through the required steps in this policy.

Related party transactions are transactions for goods or services that are provided to the district by district employees or members of their household. "Members of their household" means the spouse and dependent children of the district employee and/or persons whom the district employee is legally obligated to support. "Person" means an individual, proprietorship, partnership, association, trust, estate, business trust, group or corporation, whether operated for profit or not, and any other legal entity, or agent or servant thereof, or a governmental entity.

Before any related party transactions may occur, the following actions must take place:

1. The district employee shall prepare a written statement describing the matter to be acted upon and the nature of the potential conflict;
2. The district employee shall deliver the statement to the clerk of the board to be placed upon the board's consent agenda at the next regularly scheduled board meeting;
3. The board shall review the statement and may or may not obtain an advisory opinion from legal counsel before ruling upon the matter; and
4. The district employee must obtain board approval for the related party transaction to proceed.

The failure to follow this course of action subjects the district employee to a civil offense and a penalty not to exceed \$500.00.

Adopted: _____ Reviewed: _____ Revised: _____

Legal Reference: Idaho Code Section 59-701, *et seq.*

SECTION 800: BUSINESS PROCEDURES School District 271 Board Policy.