

**GENERAL PROHIBITION**

It is unlawful for any board member to have pecuniary interest directly or indirectly in any contract or other transaction pertaining to the maintenance or conduct of the district, or to accept any reward or compensation for services rendered as a board member except as otherwise provided by law.

The receiving, soliciting, or acceptance of district monies for deposit in any bank or trust company, or the lending of money by any bank or trust company to any district, will not be deemed to be a contract pertaining to the maintenance or conduct of the district. The board's payment of compensation to any bank or trust company for services rendered in the transaction of any banking business with the board will also not be deemed the payment of any reward or compensation to any officer or director of any such bank or trust company.

"Relative" is defined as a person related to the board member by blood or marriage within the second degree (See page 2 Consanguinity Chart).

**EXCEPTIONS TO GENERAL PROHIBITION**

The board may accept and award district contracts to businesses in which a trustee, or his or her relative, has a direct or indirect interest if less than three (3) suppliers of a good or service exist within a fifteen (15) mile radius of where the good or service is to be provided and the contract is necessary to respond to a disaster.

If no disaster exists the following procedures must be followed:

1. The contract is competitively bid and the board member or his or her relative submits the low bid;
2. Neither the board member nor his or her relative takes part in the preparation of the contract or bid specifications, and the board member takes no part in voting on or approving the contract or bid specification;
3. The board member makes full disclosure, in writing, to all members of the board of his or her interest, or the interest of his or her relative, and sets forth his or her intention, or the intention of his or her relative, to bid on the contract; and
4. Neither the board member nor his or her relative has violated any provisions of Idaho law pertaining to competitive bidding or improper solicitation of business.

**CONTRACTS WITH A BOARD MEMBER'S SPOUSE**

It is unlawful for the board to enter into or execute any contract with the spouse of any member of the board, the terms of which said contract requires, or will require, the payment or delivery of

any district funds, money, or property to such spouse, unless the contract meets the exception to the prohibition as set forth above.

**EMPLOYMENT OF OTHER RELATIVES OF BOARD MEMBERS**

The board will not employ any board member’s spouse. When any other relative of any board member, or relative of the spouse of a board member, related by blood or marriage within the second degree, is considered for employment by the district, such board member will abstain from voting in the election of such relative, and will be absent from the meeting while such employment is being considered and determined.

**CONSANGUINITY CHART**

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Person A	Grandchild	Great Grandparent	Great Great Grandparent
Parent	Grandparent	Great Grandchild	Great Granduncle/Aunt
Sibling	Uncle/Aunt	Great Uncle/Aunt	
Child	Cousin	Child of the Great Uncle/Aunt	
	Nephew/Niece	Second Cousin	
		Cousin's Child	
		Grand Nephew/Niece	



**LEGAL REFERENCE:**

- Idaho Code* Sections
- 18-1361
- 18-1361A
- 33-506
- 33-507

**ADOPTED:** November 11, 2003

**AMENDED:** May 11, 2004