

 <p style="text-align: center;"><b>ASB PROCEDURES MANUAL</b></p>	<h1 style="margin: 0;">VENDOR RELATIONS</h1>	<p><b>REVISED 10/18</b></p>
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## INTRODUCTION

This section gives guidance on establishing and maintaining appropriate relationships with district vendors associated with ASB. The District has established Board Policy and Regulation 6230 and 6230R as general district guidance for vendor relations.

Financial and business transactions of the District shall be carried out in conformity with the law and consistent with sound and ethical business practices. Purchasing decisions shall be made on the basis of objectivity and shall not be influenced by friendships or other personal relationships.

Board members, administrators or staff shall not accept a gift or favor from vendors or prospective vendors or other firms or individuals who have had or hope to have transactions with the District.

## PROCEDURE

To assist in recognizing and responding to situations that could lead to inappropriate actions or a conflict of interest (real or perceived) listed below are the two most common areas ASB officials may face, including some specific situations and the appropriate course of action:

**1) Employment/Financial Interests** – District employees involved in purchasing decisions or in a position to influence a transaction for a school may NOT also be employed by, currently seeking future employment with and/or hold a financial interest with a district vendor; provided that “remote” financial interests consisting of an ownership interest of less than 1% in the vendor is NOT prohibited.

**Situation 1.1:** A school is looking to buy Chess Club t-shirts. A teacher at the same school owns a t-shirt company and would like to be the vendor.

**More Info:** Because of the employee’s direct financial interest and potential influence over decision making, it is not permissible for the teacher to sell t-shirts to their own school. It is possible to sell t-shirts to other schools, as long as those schools obtain quotes from at least two other vendors, and it is determined that

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the employee’s company is the most cost-effective for the district. No district time or resources shall be used to promote the employee’s company.

**Situation 1.2:** The wrestling team is preparing for their year-end banquet. The coach’s spouse owns a catering company and would like to cater the event.

**More Info:** Under state community property law, the Coach has a community property ownership and financial interest in the catering company of his or her spouse, thus contracting with the spouse’s catering company is prohibited.

**Situation 1.3:** An athletic director wants to supplement his income. A vendor who supplies athletic equipment to the school offers him a part-time job or commission for referring business to the company.

**More Info:** Because the athletic director oversees athletic purchases at the school, his acceptance of a part time job or commission with the vendor violates board policy as he cannot remain “objective” about future purchasing decisions and stands to financially benefit from future transactions.

**Situation 1.4:** An employee purchases coffee supplies from Starbucks Coffee. The employee owns some shares of stock in Starbucks.

**More Info:** This transaction is NOT prohibited as long as the employee’s shares of stock qualify as a “remote” interest (1% ownership interest or less).

**Situation 1.5:** A debate advisor at a high school wants to hire their daughter to be a debate judge at an upcoming debate tournament.

**More Info:** District employees involved in purchasing decisions or in a position to influence a transaction for a school may NOT contract with a member of their immediate family or an immediate relative. Because these decisions cannot be made objectively, they are considered a conflict of interest and are prohibited.

**2) Gifts, Discounts or Promotional Items** – District employees may NOT accept discounts, gifts, or promotional items from a vendor for personal use, offered to obtain district business or in appreciation or in exchange for the employee’s past involvement in district business with the vendor. Employees should politely express appreciation for the gesture but **inform the vendor that acceptance of the item is prohibited by Board policy.**

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**Situation 2.1:** In recognition of a coach’s past business and to support their work, a sports vendor issues the coach a personal discount card.

**More Info:** Employees cannot accept anything from which they would receive a personal financial benefit.

**Situation 2.2:** A current or potential vendor asks an athletic director out to lunch to discuss their company’s products. The vendor intends on paying for the lunch.

**More Info:** The employee may attend the lunch but must pay for their own meal.

**Situation 2.3:** A current or potential vendor wants to bring pizza to a coaches’ meeting and showcase some of their latest equipment.

**More Info:** The vendor may attend the meeting but should be asked not to bring meals or refreshments.

**Situation 2.4:** In order to obtain the District’s business or as a gesture of thanks for the District’s past business, a vendor offers a coach tickets to a Tacoma Rainiers game.

**More Info:** District employees cannot accept any type of event or game tickets for personal use.

**Situation 2.5:** When placing an order for basketball uniforms, the vendor offers free coaches’ jackets for an order of \$1,000 or more.

**More Info:** Orders placed with vendors should be for the exact amount needed, and not inflated in order to achieve free product or additional savings. Vendors should be encouraged to offer discounts or sales incentives that lower the cost to the students and the ASB, and not personally benefit staff involved in purchasing goods with student funds.

**Situation 2.6:** A vendor stops by to drop off their new fall catalog. As a gesture of thanks for past business, they give the athletic director a sleeve of golf balls and a hat for their personal use.

**More Info:** Employees cannot accept anything from which they would receive a financial benefit. Alternatively, the goods could be awarded to an athlete as a prize or incentive.

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**Situation 2.7:** A vendor offers discounts to all teachers making personal purchases of classroom or other supplies for use in their classroom.

**More Info:** Because it does not appear that the discount is offered based on past district business relationships with any particular employee, the transaction is not prohibited.

**Situation 2.8:** A local coffee shop offers discounts to all district employees of 10% off espresso drinks.

**More Info:** These “goodwill” types of discounts are NOT prohibited in situations where the discount is generally available regardless of the lack of purchasing authority of the employee, and the discount is not offered in exchange for or in appreciation of past or future business.