

TENNESSEE SCHOOL BOARDS UNEMPLOYMENT COMPENSATION TRUST
CODE OF ETHICS

Section 1. Applicability. This Code of Ethics is the Code for officials and employees of the Tennessee School Boards Unemployment Compensation Trust (hereinafter "UCT"), and is to be incorporated by reference into the Intergovernmental Agreement with members of the Trust. It applies to all full-time and part-time elected or appointed officials and employees, whether compensated or not, including those of any separate board, commission, committee, authority, corporation, or other instrumentality appointed or created by the Trust.

Section 2. Definitions.

(a) "Trust" means the Tennessee School Boards Unemployment Compensation Trust, referred to hereinafter as the UCT.

(b) "Trustees" means the governing board the UCT as constituted pursuant to Article 1 of the By-Laws of the UCT.

(c) "All officials and employees" means and includes any official, officer, whether elected or appointed, Trustee, employee or servant (whether compensated or not) of the UCT.

(d) For the purpose of the disclosure of personal interests in accordance with this Code of Ethics, "personal interest" means a financial interest of the official or employee, or a financial interest of the official's or employee's spouse or child living in the same household, in the matter to be voted upon, regulated, supervised, or otherwise acted upon in an official capacity.

Section 3. Disclosure of personal interest in voting matters. An official or employee with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and to be included in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's or employee's vote on the measure. In addition, the official or employee may, to the extent allowed by law, recuse himself or herself from voting on the measure.

Section 4. Disclosure of personal interest in non-voting matters. An official or employee who must exercise discretion relative to any matter other than casting a vote and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on the attached disclosure form and file the disclosure form with the Board of Commissioners. In addition, the official or employee may, to the extent allowed by law, charter, ordinance, or policy, recuse himself or herself from the exercise of discretion in the matter.

Section 5. Acceptance of gifts and other things of value. An official or employee, or an official's or employee's spouse or child living in the same household, may not accept, directly or indirectly, any gift, money, gratuity, or other consideration or favor of any kind from anyone other than the Trust.

(a) For the performance of an act, or refraining from performance of an act, that he or she would be expected to perform, or refrain from performing, in the regular course of his or her duties; or

(b) That a reasonable person would understand was intended to influence the vote, official action or judgment of the official or employee in executing the Trust's business.

Section 6. Ethics Complaints. Questions and complaints regarding violations of this Code of Ethics or of any violation of state law governing ethical conduct should be directed to the Chairman of the Board of Trustees of the UCT. If a question or complaint involves the Chairman of the Trustees, the question or complaint should be directed to the Vice Chairman of the Board of Trustees. Complaints shall be in writing, signed by the person lodging the complaint, and shall set forth in reasonable detail the facts upon which the complaint is based.

The Chairman or Vice Chairman of the Trustees shall direct the Trustees' retained attorney to investigate any credible complaint against an official or employee charging any violation of this Code of Ethics and may request a legal opinion or recommendation for action. The UCT's attorney may request that the Trustees hire another attorney to conduct the investigation or to give a legal opinion or recommendation when he or she has reason to believe that there may be a conflict of interest on a particular complaint. The investigating attorney shall report the results of his or her investigation and any legal opinion or recommendation requested to the Trustees. If a Trustee is the subject of a complaint, such Trustee shall recuse himself or herself from all proceedings involving such a complaint. The Trustees may:

- (1) in the case of a Trustee, publicly censure such member if the Trustees finds such action warranted;
- (2) in the case of a Trustee, report the complaint and actions taken by the Trustees to the Board of Education on which the Trustee serves;
- (3) in the case of an employee, refer the matter to the official responsible for supervision of the employee for possible disciplinary action if the official finds discipline warranted; or
- (4) in a case involving possible violation of state statutes, refer the matter to the district attorney for possible ouster or criminal prosecution.

The interpretation of a reasonable person in the circumstances shall be used in interpreting and enforcing this Code of Ethics. When a violation of this Code of Ethics constitutes a violation of the UCT's personnel policy, the violation shall be dealt with as a violation of the personnel policy rather than as a violation of this Code of Ethics.

Section 7. Applicable State Laws. In addition to the ethical principles set out in this Code of Ethics, state laws also provide a framework for the ethical behavior of certain officials and employees in the performance of their duties. Officials and employees should familiarize themselves with the state laws applicable to their office or position and the performance of their

duties. To the extent that an issue is addressed by state law (law of general application, public law of local application, local option law, or private act), the provisions of that state law, to the extent it is more restrictive, shall control.¹

¹ Following is a brief summary of selected state laws concerning ethics for UCT officials and employees. For the full text of these statutes, see the Tennessee Code Annotated (T.C.A.) sections indicated.

Campaign finance—T.C.A. Title 2, Chapter 10. Part One (campaign financial disclosure) requires candidates for public office to disclose contributions and contributors to their campaigns. Part Three (campaign contribution limits) limits the total amount of campaign contributions a candidate may receive from an individual and sets limits on the amount a candidate may receive in cash.

Conflict of interest—T.C.A. §12-4-101 is the general conflict of interest statute that applies in all counties. It prohibits anyone who votes for, lets out, or in any manner supervises any work or contract from having a direct financial interest in that contract, purchase or work, and it requires disclosures of indirect financial interests by public acknowledgement.

Conflict of interest disclosure statements—T.C.A. §8-50-501 and the following sections require candidates and appointees to local public offices who are elected to file a disclosure statement with the state ethics commission listing major sources of income, investments, lobbying activities, professional services provided, bankruptcies, certain loans, and other information, and to keep these statements up to date.

Honoraria—T.C.A. §2-10-116 prohibits elected officials from accepting an honorarium (including money or anything of value, but not including reimbursement for actual expenses) for an appearance, speech, or article in their official capacity.

Crimes involving public officials—T.C.A. § 39-16-101 and the following sections prohibit bribery, soliciting unlawful compensation, and buying and selling in regard to offices.

Official misconduct—T.C.A. §39-16-402 applies to public servants and candidates for office and prohibits unauthorized exercise of official power, acting in an official capacity exceeding the servant's power, refusal to perform a duty imposed by law, violating a law relating to the servant's office or employment, and receiving a benefit not provided by law.

Official oppression—T.C.A. §29-16-403 prohibits abuse of power by a public servant.

Bribery for votes—T.C.A. §§2-19-121, 2-19-126, and 2-19-127 prohibit bribery of voters in elections.

Misuse of official information—T.C.A. §39-16-404 prohibits a public servant from attaining a benefit or aiding another person in attaining a benefit from information which was obtained in an official capacity and is not available to the public.

Ouster law—T.C.A. §8-47-101 sets out conduct that is punishable by ouster from office, including misconduct in office and neglect of duty.

RESOLUTION

ADOPTING A CODE OF ETHICS
FOR OFFICIALS AND EMPLOYEES OF THE
TENNESSEE SCHOOL BOARDS UNEMPLOYMENT COMPENSATION TRUST

WHEREAS, Tennessee Code Annotated § 8-17-101 et seq. (the Ethics Reform Act) requires certain entities created pursuant to Interlocal Agreements, including the Tennessee School Boards Unemployment Compensation Trust, to adopt certain ethical standards on or before June 30, 2007; and

WHEREAS, the Tennessee School Boards Unemployment Compensation Trust has developed a code of ethics patterned on the County Technical Assistance Services' Model of Ethical Standards; and

WHEREAS, the Tennessee School Boards Unemployment Compensation Trust desires to adopt a code of ethics as required by State Law;

NOW, THEREFORE, BE IT RESOLVED by the Tennessee School Boards Unemployment Compensation Trust Board of Trustees at its meeting on April 27, 2007, in Nashville, Tennessee, that:

SECTION 1. The code of ethical standards attached to this resolution is hereby adopted as the code of ethics for the Tennessee School Boards Unemployment Compensation Trust.

SECTION 2. Upon approval of this resolution, the Intergovernmental Agreement to participate in the Tennessee School Boards Unemployment Compensation Trust effective April 27, 2007 be and is hereby amended to include a new Section 2 in Article IV, entitled "Authority and Duty of Trustees," which shall read as follows:

Section 2. ETHICAL STANDARDS. As required by Tennessee Code Annotated § 8-17-102(b), the Trustees have adopted a code of ethics for the Trust, its officials and employees, which is attached hereto as Exhibit 1 to this Agreement, and incorporated by reference as if fully restated herein.

SECTION 3. Upon the approval of this resolution, the Trustees do hereby amend the By-Laws of the Unemployment Compensation Trust by inserting a new Article III entitled Code of Ethics, which shall contain the entire code of ethics as adopted in this resolution, and with the remaining Articles being appropriately renumbered.

SECTION 4. This resolution shall take effect immediately upon its passage and approval by the Trustees of the Tennessee School Boards Unemployment Compensation Trust.

ADOPTED this 27th day of April, 2007.

APPROVED:


Chairman,
Tennessee School Boards
Unemployment Compensation Trust

ATTEST:


Administrator

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ETHICS COMMISSION