

Section 2-9.2. Definitions. — A. As used in this policy: “*Contract*” means any agreement to which the School Board is a party, or any agreement on behalf of the School Board which involves the payment of money appropriated by the School Board, whether or not such agreement is executed in the name of the School Board.

- (1) “*Advisory agency*” means any board, commission, committee or post which does not exercise any sovereign power or duty, but is appointed by a governmental agency or officer or is created by law for the purpose of making studies or recommendations, or advising or consulting with a governmental agency.
- (2) “*Affiliated business entity relationship*” means a relationship, other than a parent-subsidiary relationship, that exists when:
 - (i) one business entity has a controlling ownership interest in the other business entity;
 - (ii) a controlling owner in one entity is also a controlling owner in the other entity; or
 - (iii) there is shared management or control between the business entities.

Factors that may be considered in determining the existence of an affiliated business entity relationship include that the same person or substantially the same person owns or manages the two entities, there are common or commingled funds or assets, the business entities share the use of personnel on a regular basis, or there is otherwise a close working relationship between the entities.

- (3) “*Business*” means any individual or entity carrying on a business or profession, whether or not for profit.
- (4) “*Contract*” means any agreement to which a governmental agency is a party, or any agreement on behalf of a governmental agency which involves the payment of money appropriated by the General Assembly or political subdivision, whether or not such agreement is executed in the name of the Commonwealth, or some political subdivision of it.
- (5) “*Dependent*” means a son, daughter, father, mother, brother, sister or other person, whether or not related by blood or marriage, if such person receives from the officer or employee, or provides to the officer or employee, more than one-half of his financial support.
- (6) “*Council*” means the Virginia Conflict of Interest and Ethics Advisory Council established in Va. Code § 30-355.
- (7) “*Employee*” means all persons employed by a governmental or advisory agency.
- (8) “*Financial institution*” means any bank, trust company, savings institution, industrial loan association, consumer finance company, credit union, broker-dealer as defined in Va. Code § 13.1-501, or investment company or advisor registered under the federal Investment Advisers Act or Investment Company Act of 1940.

(9) "Foreign country of concern" means any country designated by the Secretary of State to have repeatedly provided support for acts of international terrorism pursuant to the National Defense Authorization Act for Fiscal Year 2019, P.L. 115-232 § 1754(c), Aug. 13, 2018; the Arms Export Control Act § 40, 22 U.S.C. § 2780; or the Foreign Assistance Act of 1961 § 620A, 22 U.S.C. § 2370.

~~(9)~~ (10) *"Gift"* means any gratuity, favor, discount, entertainment, hospitality, and loan forbearance or other item having monetary value. It includes services as well as gifts of transportation, local travel, lodgings, and meals, whether provided in-kind, by purchase of a ticket, payment in advance or reimbursement after the expense has been incurred. "Gift" does not include any of the following:

- (1) any offer of a ticket, coupon or other admission or pass unless the ticket, coupon, admission or pass is used;
- (2) honorary degrees;
- (3) any athletic, merit, or need-based scholarship or any other financial aid awarded by a public or private school, institution of higher education, or other educational program pursuant to such school, institution or program's financial aid standards and procedures applicable to the general public;
- (4) a campaign contribution properly received and reported pursuant to Va. Code § 24.2-945 et seq.;
- (5) any gift related to the private profession, occupation or volunteer service of the School Board member or employee or of a member of the School Board member's or employee's immediate family;
- (6) food or beverages consumed while attending an event at which the School Board member or employee is performing official duties related to his public service;
- (7) food and beverages received at or registration or attendance fees waived for any event at which the School Board member or employee is a featured speaker, presenter or lecturer;
- (8) unsolicited awards of appreciation or recognition in the form of a plaque, trophy, wall memento or similar item that is given in recognition of public, civic, charitable or professional service;
- (9) a devise or inheritance;
- (10) travel disclosed pursuant to the Campaign Finance Disclosure Act (Va. Code § 24.2-945 et seq.);

- (11) travel paid for or provided by the government of the United States, any of its territories or any state or any political subdivision of such state; travel related to an official meeting of, or any meal provided for attendance at such meeting by the Commonwealth, its political subdivisions, or any board, commission, authority, or other entity, or any charitable organization established pursuant to § 501(c)(3) of the Internal Revenue Code affiliated with such entity, to which such person has been appointed or elected or is a member by virtue of his office or employment;
- (12) gifts with a value of less than \$20;
- (13) attendance at a reception or similar function where food, such as hors d'oeuvres, and beverages that can be conveniently consumed by a person while standing or walking are offered;
- (14) tickets or the registration or admission fees to an event that are provided by the School Board to School Board members or employees for the purposes of performing official duties related to their public service; or
- (15) gifts from relatives or personal friends.

For the purpose of this definition, "relative" means the donee's spouse, child, uncle, aunt, niece, nephew or first cousin; a person to whom the donee is engaged to be married; the donee's or donee's spouse's parent, grandparent, grandchild, brother, sister, step-parent, step grandparent, step-grandchild, step-brother or step-sister or the donee's brother's or sister's spouse. For the purpose of this definition, "personal friend" does not include any person that the School Board member or employee knows or has reason to know is (a) a lobbyist registered pursuant to Va. Code § 2.2-418 et seq.; (b) a lobbyist's principal as defined in Va. Code § 2.2-419; or (c) a person, organization, or business who is a party to or is seeking to become a party to a contract with the School Board. For purposes of this definition, "person, organization or business" includes individuals who are officers, directors or owners of or who have a controlling ownership interest in such organization or business.

~~(10)~~ (11) "*Governmental agency*" means each component part of the legislative, executive or judicial branches of state and local government, including each office, department, authority, post, commission, committee, and each institution or board created by law to exercise some regulatory or sovereign power or duty as distinguished from purely advisory powers or duties. Corporations organized or controlled by the Virginia Retirement System are "governmental agencies" for purposes of this policy.

~~(11)~~ (12) "*Immediate Family Member*" means (i) a spouse and (ii) any other person residing in the same household as the School Board member, who is a dependent of the School Board member employee.

~~(42)~~ (13) "Officer" means any person appointed or elected to any governmental or advisory agency including local school boards, whether or not he receives compensation or other emolument of office.

~~(43)~~ (14) "*Parent-subsidiary relationship*" means a relationship that exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another corporation.

~~(44)~~ (15) "*Personal Interest*" means a financial benefit or liability accruing to a School Board member or employee or to a member of the immediate family of the School Board member or employee. Such interest shall exist by reason of

- (i) ownership in a business if the ownership interest exceeds three percent of the total equity of the business;
- (ii) annual income that exceeds, or may reasonably be anticipated to exceed, \$5,000 from ownership in real or personal property or a business;
- (iii) salary, other compensation, fringe benefits, or benefits business that exceeds, or may reasonably be anticipated to exceed, \$5,000 annually;
- (iv) ownership of real or personal property if the interest exceeds \$5,000 in value and excluding ownership in a business, income, or salary, other compensation, fringe benefits or benefits from the use of property; or
- (v) personal liability incurred or assumed on behalf of a business if the liability exceeds three percent of the asset value of the business; or
- (vi) an option for ownership of a business or real or personal property if the ownership interest will consist of (i) or (iv) above.

~~(45)~~ (16) "*Personal interest in a contract*" means a personal interest which a School Board member has in a contract with the School Board, whether due to his being a party to the contract or due to a personal interest in a business which is a party to the contract.

~~(46)~~ (17) "*Personal interest in a transaction*" means a personal interest of an officer or employee in any matter considered by his agency. Such personal interest exists when an officer or employee or a member of his immediate family has a personal interest in property or a business, or governmental agency, or represents or provides services to any individual or business and such property, business, or represented or served individual or business is

- (i) the subject of the transaction or
- (ii) may realize a reasonably foreseeable direct or indirect benefit or detriment as a result of the action of the agency considering the transaction.

Notwithstanding the foregoing, such personal interest in a transaction shall not be deemed to exist where (a) an elected member of a local governing body serves without remuneration as a member of the board of trustees of a not-for-profit entity and such elected member or member of his immediate family has no personal interest related to the not-for-profit entity or (b) an officer or employee of

a local governing body is appointed by the local governing body to serve on a governmental agency and the personal interest in the transaction of the governmental agency is a result of the salary, other compensation, fringe benefits, or benefits provided by the local governing body to the officer, ~~or~~ employee, elected member or member of his immediate family.

~~(17)~~ (18) "*Transaction*" means any matter considered by any governmental or advisory agency, whether in a committee, subcommittee, or other entity of that agency or before the agency itself, on which official action is taken or contemplated.

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Legal Authority - Virginia Code §§ 2.2-3101, 2.2-3102, 2.2-3103, 2.2-3103.2, 2.2-3104.1, 2.2-3108, 2.2-3109, 2.2-3110, 2.2-3112, 2.2-3115, 2.2-3118, 2.2-3119, 2.2-3121, 2.2-3124, 2.2-3132 and 30-356 (1950), as amended.