

# Ethics

- ▶ Can be defined as the moral standards individuals use to guide decisions in their personal and professional lives
- ▶ Practices that promote free and open competition
- ▶ Accurate documentation is important to demonstrate compliance
- ▶ Ethical violations in the workplace are a serious matter



# Is This Ethical? #1

While attending a political fundraiser, you mention a distributor's name to one of your long-time distributors. You share with your long time distributor that you heard the other distributor was releasing a new product. You say you can only remember bits and pieces of what the distributor told you and he mentioned it was something about "proprietary information."



# Free and Open Competition

- ▶ Federal guidelines mandate procurements must be competitive.
- ▶ Don't mention a distributor's name to another distributor or share proprietary information.
- ▶ Don't show preference to— allow pressure from management connections.



# Free and Open Competition (Cont.)

- ▶ Don't give preference based on long-term relationships.
- ▶ Don't give preference to suppliers.
- ▶ Don't allow political connections to influence award.



# Is this Ethical? #2

- ▶ A vendor tells you there is a special on whole grain-rich dinner rolls. He states the rolls meet the USDA whole-grain rich criteria. The rolls will only be offered at a special price on Thursday. To receive the special price you will need to attend a luncheon hosted by the vendor and purchase the rolls during this time.



# Supplier Relations

- ▶ Establishing and understanding the parameters
- ▶ Attending supplier–hosted events —no obligation
- ▶ The impression of impropriety



# Is this Ethical? #3

A vendor has learned of your that you purchased a new home and sends you a new house-warming gift. You take it home and it looks beautiful on your fireplace mantle. How did he know exactly what to buy? You can't wait to thank him the next time you place an order.



# Gifts and Gratuities

- ▶ A gift is anything of monetary value, including food, meals, travel, or entertainment.
- ▶ Refer to district's policy.
- ▶ If there is a doubt—then do not accept it.





# Is this Ethical? #4

Your son calls and says he will need a new track uniform and money to purchase a \$200 pair of tennis shoes. You tell him the shoes are not in the budget. A vendor over hears the conversation and offers you a loan. You accept the offer and plan to pay him back in the near future.



# Monetary Dealings

- ▶ Soliciting or accepting money, loans, credits, prejudicial discounts, or services
- ▶ Never lend money to or borrow money from suppliers!



# Is this Ethical? #5

- ▶ A vendor indicates the product you purchased is eligible for a manufacturer's rebate. When you review your invoice you do not see the rebate. After contacting the vendor you learn he "totally forgot" to process the rebate and the offer is no longer available. He states he will give you free product valued at the dollar amount of the rebate.



# Legitimate Discounts, Rebates, or Credits

- ▶ Offset expenses and act as a purchasing incentive
- ▶ Need to be taken directly off the invoice which can serve as your documentation



# Conflicts of Interest

- ▶ A conflict of interest occurs when the individual involved in the decision-making process or someone close to this individual benefits by signing the contract.
- ▶ Examples:
  - The company bidding on a contract with your school district is owned by your personal friend, relative, or school board member.
  - You own stock in the company.
  - Your friend or relative is an employee at the company in a position where they would profit from gaining the contract.



# Confidentiality

- ▶ Providing confidential information of any kind to any person or entity that was not designated to be privy to that information is considered unethical.

