

**NORTHLAND PIONEER COLLEGE**  
**DISCLOSURE OF SUBSTANTIAL INTEREST**  
(Conflict of Interest)

Arizona Revised Statutes §38-503 requires the disclosure of any substantial interest by an employee, or elected official, in any contract, sale, purchase, or service by or to the College as well as disclosure of any substantial interest in any decision of the College. If such an interest exists the person shall refrain from participating in the decision, contract, sale or purchase in any manner.

Any employee or elected official who has or whose relative has a substantial interest (see reverse for definitions of relative and substantial interest) shall make known that interest by completing this form which shall be kept in a file maintained by the College and which shall be open to the public. He or she shall thereafter refrain from voting or participating in any manner in the contract, sale, purchase, or decision. It is the responsibility of each person to keep the disclosure current (the disclosure is valid for a twelve-month period). A person who has or whose relative has a substantial interest in a business or service may supply equipment, material, supplies, or services to the College provided the interest is disclosed and provided that the contract is let pursuant to public competitive bidding.

Print Name: \_\_\_\_\_ NPC Employee  
I.D. # \_\_\_\_\_

Campus/Center: \_\_\_\_\_

\_\_\_\_\_ I do not have any substantial interest as defined on the reverse of this form.

\_\_\_\_\_ I have substantial interests as listed below:

Description of business or activity (indicate if sole owner, partner, relative of owner/partner, etc):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Type of College action which might affect your outside business or activity or which could potentially cause a conflict to arise:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I certify that the above information is true and correct.

Signature: \_\_\_\_\_ Date \_\_\_\_\_

This form is required each year pursuant to College Procedure #2715.  
Forms are kept on file and are open to the public for inspection.

**Please return the completed form to the Human Resources Office.**

## Disclosure of Substantial Interest Definitions

If a “relative” of yours has a Substantial Interest, You also are considered as having the same Substantial Interest. ARS §38-502 defines “relative” as a “spouse, child, child’s child, parent, grandparent, brother or sister or the whole or half blood and their spouses and the parent, brother, sister or child of a spouse.”

A “substantial interest” is any nonspeculative pecuniary or proprietary interest, either direct or indirect, other than a remote interest. If you have only a “remote interest” in decision, as defined below you may indicate that you have no “substantial interest” on the Disclosure of Substantial Interest form.

As defined by ARS §38-502.10(a-j), “Remote interest” means:

- “a. That of a nonsalaried officer of a nonprofit corporation.
- “b. That of a landlord or tenant of the contracting party.
- “c. That of an attorney of a contracting party.
- “d. That of a member of a nonprofit cooperative marketing association.
- “e. The ownership of less than three per cent of the shares of a corporation for profit, provided the total annual income from dividends, including the value of stock dividends, from the corporation does not exceed five per cent of the total annual income of such officer or employee and any other payments made to him by the corporation do not exceed five per cent of his total annual income.
- “f. That of a public officer or employee in being reimbursed for his actual and necessary expenses incurred in the performance of official duty.
- “g. That of a recipient of a public service generally provided by the incorporated city or town, political subdivision or state department, commission, agency, body or board of which he is a public officer or employee, on the same terms and conditions as if he were not an officer or employee.
- “h. That of a public school board member when the relative involved is not a dependent, as defined in §43-1001, or spouse.
- “i. That of a public officer or employee, or that of a relative of a public officer or employee, unless the contract or decision involved would confer a direct economic benefit or detriment upon the officer, employee or his relative, or any of the following:
  - (i) Another political subdivision.
  - (ii) A public agency of another public subdivision.
  - (iii) A public agency except if it is the same governmental entity.
- “j. That of a member of a trade, business, occupation, profession or class of persons consisting of at least ten members which is no greater than the interest of the other members of that trade, business, occupation, profession or class of persons.”
- “k) That of a relative who is an employee of any business entity or governmental entity that employs at least twenty-five employees within this state and who, in the capacity as an employee, does not assert control or decision-making authority over the entity's management or budget decisions.”
- “(l) The ownership of any publicly traded investments that are held in an account or fund, including a mutual fund, that is managed by one or more qualified investment professionals who are not employed or controlled by the officer or employee and that the officer or employee owns shares or interest together with other investors.”

Arizona Revised Statutes §38-510 defines the penalties for violation of the “Conflict of Interest: statutes §38-503 through §38-505 as a class 6 felony or a class 1 misdemeanor depending on the nature of the violation. This statute also states, “A person found guilty of an offense as described ... shall forfeit his public office or employment if any.”

Any contract entered into by the College is voidable if there is a conflict of interest by any of the parties to the contract. [ARS §38-506(A)]