

Conflict of Interest

Number: B-20

Revision:

Revision Date: 07/01/2017

1.0 POLICY

In order to preserve the public trust of the residents whom the Town serves, it is the policy of the Town of Carolina Beach to avoid financial transactions that create an actual or apparent conflict of interest.

2.0 PURPOSE

It is essential for the Town's officers, employees and agents to remain free from all conflicts of interest, whether real or apparent. Additionally, North Carolina Criminal Statute 14-243 prohibits Town officers, employees and agents from voting upon or otherwise participating in the selection, award or administration of contracts in which they have a direct or indirect financial interest.

As a condition of receiving federal and state grant funds, the Town is required to have a Conflict of Interest policy that specifies certain conditions that necessitates a finding that a conflict of interest exists. This policy addresses those concerns and complies with all applicable federal and state conflict of interest laws.

3.0 SCOPE

This policy applies to all Town officers, employees or agents as well as sub-grantees or sub-recipients of any federal or state funds received by the Town.

4.0 DEFINITIONS

- 4.1 Officer – An individual who is elected to or appointed to serve or represent the Town of Carolina Beach, other than an employee or independent contractor of the Town.
- 4.2 Employee – Those individuals who are employed at will by the Town of Carolina Beach for remuneration, whether full or part time, benefited or non-benefited, and are charged with implementing the Town's policies and Town Council's goals and objectives. For the purpose of sections 5.1-5.4 of this policy, employee includes former employees who have been separated from the Town for one year or less.
- 4.3 Agent – Those individuals or companies who are authorized to act on behalf of the Town and who provide services or products, whether contractual or not.
- 4.4 Immediate Family – For the purpose of this policy, immediate family is defined as wife, husband, mother, father, brother, sister, son, daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandmother, grandfather, grandmother-in-law, grandfather-in-law, grandson, granddaughter, stepmother, stepfather, stepchild, sister-in-law, and brother-in-law. In addition, there are other relationships where the degree of closeness may impact the public's perception. This may include engaged couples, roommates, other relatives who grew up together, or similar relationships.

5.0 ORGANIZATIONAL RULES

- 5.1 The Town may not enter into a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family owns 10% or more of the company proposing to do business with the Town.
- 5.2 The Town may not enter into a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family receives income or commission from the proposed transaction from the Town.
- 5.3 The Town may not enter into a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family acquires property from the proposed transaction with the Town.
- 5.4 The Town may not enter into a financial relationship with any firm whenever an employee, officer, agent or member of their immediate family will be performing work for or on behalf of the Town as a result of the proposed transaction with the Town.
- 5.5 No officer or employee of the Town shall bid for or to purchase or to contract to purchase from the Town any real estate, equipment, materials, or supplies or any nature or kind whatsoever, either directly or indirectly, at either public or private sale, either singularly or through, or jointly with any other person. Once certain Town equipment has exceeded its useful life the Town manager has the discretion to approve the sale of equipment to the employee who possessed and cared for the equipment through their service to the Town. For instance, the Town manager has the authority to sell a retiring K-9 dog to its handler.
- 5.6 No officer, employee or agent of the Town, and no sub-grantee or sub-recipient of any federal or state funds from the Town shall participate in the selection or in the award or administration of a contract supported by federal, state or city funds if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when any of the following persons or entities has a financial or other interest in the firm selected for the award:
 - i. The employee, officer or agent
 - ii. Any member of his/her immediate family
 - iii. His or her partner, or
 - iv. An organization which employs, or is about to employ, anyone listed is (i) through (iii) above.
- 5.7 No Town employee, officer, agent or grantee's or sub-grantee's officers, employees or agents will solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements except as may be allowed in the Town's Gift Policy.
- 5.8 The Town encourages its employees to use their knowledge, skills abilities and talents to benefit the community we serve. Volunteerism benefits the volunteer, the Town organization and the residents of the Town. In some instances, an employee's volunteer activities may present a conflict of interest with the duties of their Town position. In those instances, employees are required to disclose the existence of the conflict to their immediate supervisor, and refrain from participating in the selection, award or administration of any contract where the conflict of interest exists.

6.0 PROCEDURES

- 6.1 If any officer, employee or agent of the Town or of any sub-grantee or sub-recipient has a potential conflict of interest in the selection, award, or administration of any contract supported by federal, state or city funds in violation of this policy or has knowledge that another officer, employee, or agent of the Town has a potential conflict of interest in the selection, award or administration of any contract supported by federal, state or Town funds in violation of this policy, that person is required to:

- A. Report to their immediate supervisor or other management official in their reporting relationship all the facts and circumstances concerning the conflict in as much detail as possible. This report should identify (i) the party or parties involved, (ii) the contract involved (iii) the nature of the conflict, and (iv) any other relevant facts and circumstances concerning the conflict; and
 - B. Refrain from participating in the selection, award or administration of any financial transaction involving that firm; and
 - C. Refrain from attempting to influence any person involved in the making or administration of the financial transaction.
- 6.2 Any management official who receives information related to a potential conflict of interest as described in Section 6.1 above shall promptly, thoroughly and impartially investigate the complaint. The management official shall consult with the Town Attorney to determine whether a conflict of interest exists in the particular situation, how to respond to the situation, and work with the Human Resource Department to determine whether any corrective action is indicated.
 - 6.3 Any violation of this policy will subject the officer, employee, or agent to corrective action up to and including discharge from employment and may also subject the offender to criminal prosecution and/or civil penalties under North Carolina State law and Federal law.
 - 6.4 It is the responsibility of each employee or officer to be aware of and adhere to the tenants of this Conflict of Interest policy. City officers, employees, and agents are also responsible for ensuring their subordinates remain abreast of this policy in all dealings they may might be involved with as it pertains to the selection, award, or administration of a contract supported by federal, state, or Town funds.

7.0 APPENDIX, APPENDICES

None