




TOWN OF MOORESVILLE

ADMINISTRATIVE POLICY

Title: Employment: Conflict of Interest	Staff Affected: All Regular Full-Time and Part-Time Employees References: None
Approved By:  <hr/> Town Manager	Approved: February 22, 2022 Effective: February 22, 2022 Rescinds: Policy #7 Policy Index #: AP-HR-0006

1.0 SUPPLEMENTS

None.

2.0 DEFINITIONS

Thing of Value: Anything that exceeds \$50 in either monetary or fair market value.

3.0 POLICY

The purpose of this policy is to establish minimum guidelines regarding conflicts of interest, including conflicts arising in outside employment, the acceptance of gifts and favors, procurement of contracts, and the procurement of goods, (apparatus, supplies, materials, and equipment) and services with the Town, including those procurements or projects paid for in whole or part by state or federal funds.

It is the policy of the Town of Mooresville to prohibit employees from engaging in outside employment, accepting gifts and favors, participating in the procurement or award of contracts or services that would create a conflict of interest, or improperly using their position or confidential information for personal benefit. While this policy establishes minimum guidelines, conflicts of interest are not limited to those described in this policy and employees are expected to avoid any conduct that creates or gives the appearance of creating a conflict of interest with their job responsibilities. If an employee believes that a potential conflict of interest may exist, the employee shall disclose the conflict of interest to his or her immediate supervisor and seek appropriate guidance. Town employees must adhere to the following standards of conduct and must comply with all federal and state laws and regulations.

Provisions

3.1 Outside Employment

- 3.1.1 No employee shall engage in any outside employment including self-employment that would:
 - 3.1.1.1 Directly or indirectly affect their ability to make unbiased decisions or recommendations in their job duties with the Town;
 - 3.1.1.2 Directly or indirectly affect their ability to carry out their job duties with the Town;
 - 3.1.1.3 Create the appearance of favoritism for any person or entity providing goods or services to the Town;
 - 3.1.1.4 Compromise their independent judgment regarding recommendations or choice of vendors or services that are provided to the Town; or
 - 3.1.1.5 Violate any federal, state law, rule, regulations, or ordinance.

3.2 Approval

- 3.2.1 Determination of the degree of limitation on outside employment will be based upon the best interest of the Town in furthering professionalism, protecting the reputation of the employee and Town, and ensuring the Town receives full and faithful service in return for its expenditure of resources;
- 3.2.2 Full-Time Employees – Prior to obtaining any outside employment, whether as an employee, independent contractor or otherwise, full-time employees must request prior approval through their Department Director;
- 3.2.3 Part-Time Employees – Prior to obtaining any outside employment, part-time employees must request approval by their immediate supervisor with concurrence by their Department Director;
- 3.2.4 All requests for outside employment must be submitted and approved in writing;
- 3.2.5 If the Department Director believes an employment request is inappropriate, he/she must review the facts of the request with the Town Manager prior to disapproving.

3.3 Expected Conduct

- 3.3.1 Duty to Perform – All outside employment must be conducted so that it does not conflict with the employee's regular duties and performance. Work must not be performed during the employee's regular hours unless the employee is using Town leave and has received prior approval. In no event shall a Town employee use sick leave for purposes of outside employment. Town resources, personnel, or equipment may not be used in conjunction with outside employment.
- 3.3.2 Duty to Report – If an employee has any employment relationship or received referral business from a person or entity doing business or seeking to do business with the Town and the employee has any recommendation or decision-making authority for that service or product, the employee must disclose in writing the nature and extent of the employment or business referral relationship to their immediate supervisor. This information is available for public inspection. Copies of all outside employment documents will be filed in the employee's personnel file.

3.4 Gifts and Favors

- 3.4.1 No employee of the Town shall solicit or accept any gift, whether in the form of a service, loan, a thing of value, favor, or a promise from any person, firm, or corporation that, in the employee's knowledge, is interested directly or indirectly in any manner whatsoever in business dealings with the Town.
- 3.4.2 No employee shall solicit or accept any gift, favor, or thing of value that may tend to influence that employee in the discharge of duties.
- 3.4.3 No employee shall grant any improper favor, service, or thing of value in the discharge of duties.
- 3.4.4 Gratuities shall be refused by all employees.
- 3.4.5 This section is not intended to prevent the gift and receipt of any of the following:
 - 3.4.5.1 Advertising items or souvenirs of nominal value (\$50.00 or less);
 - 3.4.5.2 Meals furnished at banquets;

- 3.4.5.3 Donations made to professional organizations to defray meeting expenses where governmental employees are members of such professional organizations;
- 3.4.5.4 Scheduled meeting functions or activities that are available to all members of a professional organization attending the meeting;
- 3.4.5.5 Customary gifts between employees and their friends and relatives where it is clear that the gift is motivated by the personal relationship rather than the business relationship of the individual; however, all such gifts knowingly made or received by a contractor, subcontractor, or supplier doing business directly or indirectly with the Town, shall be reported in writing by the employee to the Town Manager within 10 days of receipt of the gift.
- 3.4.6 Notwithstanding the provisions of Subsection 3.4.5, an employee shall not solicit or accept any gift, favor, or thing of value from contractors or parties to subcontractors where the contract or subcontract is supported, in whole or part, by federal funds. This prohibition does not include unsolicited gifts or nominal value (\$50.00 or less) that would be exempt as outlined in Subsection 3.4.5.
- 3.4.7 If a gift is received by an employee in violations of this policy, it should be refused or otherwise returned to the sender. If it is not practical to refuse or return the gift (i.e. food, perishables, flowers, etc.), then the item may be donated to a charitable organization, given to the Town, or otherwise made available for the enjoyment of all employees in the employee's work area.
- 3.4.8 Nothing in this section is intended to prohibit the donation of goods and services that are made for the use and benefit of the Town.
- 3.5 Conflicts of Interest – Contracts
 - 3.5.1 Prohibition Against Self-Benefitting
 - 3.5.1.1 No employee may derive a direct benefit from any contract he or she is involved in making or administering on behalf of the Town.
 - 3.5.1.2 No employee may influence or attempt to influence anyone who is involved in making or administering a contract on behalf of the Town when the employee will derive a direct benefit from such contract with the Town.
 - 3.5.1.3 No employee may solicit or receive any gift, favor, reward, service, or promise of reward, including a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a contract by the Town.
 - 3.5.1.4 For purposes of this section:
 - 3.5.1.4.1 An employee is involved in making a contract if he or she participates in the development of specifications or terms of the contract or participates in the preparation or award of the contract.
 - 3.5.1.4.2 An employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to interpret or make decisions regarding the contract.
 - 3.5.1.4.3 An employee derives a direct benefit from a contract if the employee or his or her spouse: (1) has more than a 10 percent ownership or other interest in an entity that is a party to the contract; (2) derives any income or commission directly from the contract; (3) acquires property under the contract.
 - 3.5.1.4.4 Any exception provided in G.S. 14-234 are applicable to this section.
- 3.6 Contracts involving State or Federal Financial Assistance Awards
 - 3.6.1 No employee, officer, or agent may participate directly or indirectly in the selection, award, administration of a contract supported by a federal, state, or any other award if the employee, officer, or agent has a real or apparent conflict of interest.
 - 3.6.2 A real or apparent conflict of interest arises when the employee, officer, agent, or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the aforementioned parties, has a financial or other interest in, or a tangible personal benefit from a firm considered for a contract.
 - 3.6.3 An employee responsible for managing any financial assistance award, including federal awards shall review the notice of award to identify any additional conflict of interest

prohibitions or requirements associated with the award, and shall notify all employees, officers, and agents, including subrecipients, of the requirements of this policy and any additional prohibitions or requirements.

3.7 Reporting a Conflict of Interest

3.7.1 An employee with an actual, apparent, or potential conflict of interest as defined in this section, shall report the conflict of interest to his or her immediate supervisor in writing. Any conflict involving a federal or state assistance awards shall also be disclosed in writing to the awarding agency or pass-through entity in accordance with any applicable awarding agency policy.

3.8 Improper Use of Position or Information

3.8.1 No employee may acquire a financial interest in any property, transaction, or enterprise with the Town, or gain any financial benefit from the Town in anticipation of, or as a result of, his or her own official action.

3.8.2 No employee may acquire a financial interest in any property, transaction, or enterprise with the Town, or gain any financial benefit from the Town, as a result of non-public information with the employee learned in his or her official capacity.

3.8.3 No employee may disclose non-public information or use any confidential, privileged, or proprietary information gained by reason of his or her position for personal benefit.

3.8.4 An employee shall not intentionally aid another person to do any of the above acts.

3.9 Violation – Any employee violating this policy will be subject to disciplinary action, up to and including termination.

4.0 ATTACHMENTS

None.