



# Conflicts of Interest Policy

Policy Number: PP 1-8

Effective Date: September 1, 2018

Approved By: Roger L. Stancil, Town Manager

## POLICY

A conflict of interest occurs whenever an employee misuses, or appears to misuse, their position with the Town for private benefit or personal advantage. Town employees must not engage in any conduct which creates, or could create, an actual or perceived conflict of interest.

When federal funds are involved, the responsibility to report and avoid possible conflicts extends to officers, employees, or agents of the Town. None shall participate in the selection, award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, on the part of such officer, employee, or agent, would be involved.

## PURPOSE

Chapel Hill community members have placed their trust in Town employees to act in the community's best interests. As stewards of the Town's trust and its resources, Town employees must demonstrate the highest Ethical standards and avoid any real or apparent conflict of interest when acting on behalf of the Town. The Director of Human Resource Development is authorized to issue procedures consistent with this policy.

## R.E.S.P.E.C.T. VALUES



**Ethics:** We conduct ourselves in a way that is consistent with and deserving of the level of trust that has been placed in us by the community members of Chapel Hill.

## APPROVAL

Roger L. Stancil, Town Manager



# Conflicts of Interest Procedure

Policy Number: PP 1-8

Effective Date: September 1, 2018

Approved By: Cliff Turner, Human Resources Development Director

## PROCEDURES

**These procedures are issued by the Director of Human Resource Development to implement the Conflicts of Interest Policy, PP 1-8, issued by the Chapel Hill Town Manager. These procedures may be periodically updated.**

A. Conflicts of Interest:

1. General: A conflict of interest occurs whenever a person misuses, or appears to misuse, his position with the Town for private benefit or personal advantage. Some examples include:
  - a) Participating in any official or regulatory act which directly or indirectly affects a business, property, or activity in which the covered person or a member of their immediate family have a financial interest
  - b) Engaging in outside employment which might result in a conflict or apparent conflict between the covered person's interests and the duties and responsibilities of the position.
  - c) Accepting, directly or indirectly, any gift, gratuity, favor, discount or price break, entertainment, loan, or any other thing of monetary value from any person, organization, or group with whom the covered person has an official, enforcement, or regulatory relationship for the Town government (Code of Ordinances 14-50)
    - i. Discounts offered by retail merchants, entertainment venues, or similar commercial enterprises are allowed if the discount is offered to all officers or employees of other units of government.
  - d) Providing a benefit or service to someone the covered person knows through their work for the Town and that benefit or service extends beyond what that person would receive as a resident of the Town.
2. Conflicts of interest can occur even if the covered person does not directly or personally benefit; if the action results in a benefit to their friend or family member beyond what that person would be entitled to as a resident of the Town.

3. The Town's Code of Ordinances, Section 14-41, specifics situations related to employment that are considered conflicts of interest:

a) Failing to disclose a close personal and/or familial relationship with a prospective employee that is being considered for employment within the employee's department and/or work unit. The Code of Ordinances considers domestic partners as familial relations. (*Code of Ordinances, Section 14-41*)

b) Failing to disclose a close personal and/or familial relationship to an employee, contractor, or volunteer that you directly supervise or who is in your chain of supervision. (*Code of Ordinances, Section 14-41*)

B. Reporting a Conflict of Interest:

1. Consider every action taken on the job in the light of public trust and guard against conflicts of interests
2. Covered persons should report any possible conflicts of interest to their supervisor, Department Head, Town Legal staff, HRD, or the Ombuds.
3. Town Legal Staff can assist covered persons in determining if the situation creates a conflict of interest.

C. Consequences of Violating the Conflict of Interest Policy: A violation of this policy constitutes detrimental personal conduct and is subject to severe disciplinary action, up to, and including, termination.

D. Special Provisions for Covered Persons involved in the Award or Administration of Contracts that Involve Federal Funds:

1. Types of Conflicts of Interest: A conflict exists if any party named below has a financial or other interest in the firm selected for the award:

- a) the officer, employee, or agent;
- b) any member of his or her immediate family;
- c) his or her partner;
- d) any organization or entity which employs, or is about to employ, any of the above.

2. Prohibition on Gratuities and Favors: No officer, employee, or agent of the Town engaged in the award or administration of any contract supported by federal funds shall solicit or accept any gratuity, favor, or anything of monetary value from contractors, potential contractors, or parties to subcontracts. (*Code of Ordinances, Section 14-50*)

a) Notwithstanding the foregoing, an officer, employee or agent may accept unsolicited gifts of nominal intrinsic value.

b) This policy does not prohibit employees from receiving discounts offered by retail merchants, places of entertainment or similar commercial enterprises where the discount is offered to all officers or employees of other units of government.

PROCEDURES  
CONT.

3. Policy Violation Consequences: A violation of this policy shall constitute detrimental personal conduct under the Town's Code of Ordinances and its Human Resource Development policies and procedures. This conduct is subject to disciplinary action up to, and including, termination.
4. Reporting Requirement: Any employee who has a real or apparent conflict of interest as defined above must report it to their Department Head as soon as they realize that the conflict exists, or may exist. The Department Head must assure that the employee has no contact with, or input into, the award or administration of any contract(s) covered under this policy.

- E. Gifts and Gratuities to Town Employees: Town employees, in general are not permitted to accept individual gifts and gratuities .

Gifts to the Employee Work Group: The Manager's Policy Guidance (Appendix 1) provides assistance in determining when gifts and gratuities can be accepted on behalf of a workgroup.

PROCEDURES  
APPROVED BY

Cliff Turner, Human Resources Development Director



ADDITIONAL  
CONTACTS

Human Resource Development 919-968-2700 or [HR@townofchapelhill.org](mailto:HR@townofchapelhill.org)  
Ombuds office 919-265-0806 or [Ombuds@townofchapelhill.org](mailto:Ombuds@townofchapelhill.org)

DEFINITIONS

- A. Conflict of Interest: A conflict of interest occurs when a person misuses, or appears to misuse, their position with the Town for private benefit or personal advantage. Section A- 1 of this procedure provides additional information about conflicts of interests. See also Town of Chapel Hill Conflicts of Interest Policy Guidance for more information.

RESPONSIBILITIES

**All Covered Persons are expected to:**

- a) Promptly report any real or apparent conflict of interest as soon as they identify it.
- b) Recuse themselves from any activity which might create a real or apparent conflict of interest

**Department Heads are expected to:**

- a) Put procedures in place to assure that any employee who has a real or apparent conflict of interest is not involved in any activities related to the award or administration of contracts involving federal funds.

## RESPONSIBILITIES

CONT.

### Human Resource Development is expected to:

- a) Assist with investigations regarding possible conflicts of interests
- b) Work with the Town's legal staff to provide guidance to covered persons about reporting and addressing conflicts of interests
- c) Assist with policy interpretation

## SCOPE

All Town employees, officers, agents, and contractors (collectively called "covered person(s)) are covered under this policy.

## RELATED INFORMATION

OMB Circular A- 102 governing federally funded contracts.

Town of Chapel Hill Conflict of Interest Policy Guidance issued July 19, 2013, and revised September 9, 2013

## POLICY HISTORY

Adopted June 1982

Reissued November 2000

Town of Chapel Hill Conflict of Interest Policy Guidance issues 7/2013; revised 9/2013

Revised to cover all Conflicts of Interests and Reissued September 1, 2018

This policy replaces and supersedes any previous Town policies, departmental policies, handbooks, or unwritten policies or practices covering the same subject. Departmental policies in compliance with this policy are referenced in Section XI Related Information. In the event of any disparity between this policy and the Town's Code of Ordinances and/or applicable local, state, or federal laws, the Town's Ordinance and/or applicable laws shall prevail.

## FREQUENTLY ASKED QUESTIONS

### 1. Am I required to report my second job to my supervisor?

No, you are not automatically required to report a second job to a supervisor. However, you must report a second job that could create a real or perceived conflict of interest. If you aren't sure whether your second job falls into that category, we suggest you talk to your supervisor, Department Head., HRD Partner, or Ombuds.

### 2. What kinds of second jobs might need to be reported?

Here are some examples of work situations that might be conflicts of interest.

- a. An employee in Technology Solutions works on the side for a company that the Town purchases computers from.
- b. An employee who is responsible for booking Town events works on the weekends for one of the event spaces that the Town often uses.
- c. An employee works part time for a non-profit that receives Town funds.

FREQUENTLY  
ASKED  
QUESTIONS  
CONT.

**3. What are some other examples of conflicts of interests?**

- a. An employee's sister applies for a Town job. The employee serves on the hiring committee but does not disclose that their sister is a candidate for the position.
- b. An employee is on a committee to select a new vendor for the Town. The vendor invites the employee to the Carolina Hurricanes game with tickets to the VIP box—either before or after the selection is made.
- c. An employee solicits work for their own side business while they are on town time.
- d. An employee is supposed to process requests for services in the order in which they are received. The employee sees a request from a friend that just came in. The employee puts that request in front of other requests that came in earlier.