



County of Harnett Conflict of Interest Policy

*Effective May 3, 2021
Updated May 16, 2022*

Section I. Declaration of Policy

The proper operation of democratic government requires that:

- 1) Elected and appointed officials, employees, and agents to be independent, impartial, and responsible to the people;
- 2) Governmental decisions and policy be made in proper channels of the government structure;
- 3) Public office is not to be used for personal gain; and
- 4) The public have confidence in the integrity of its government.

In recognition of these goals, this Conflict of Interest Policy is hereby adopted. The purpose is to establish guidelines for ethical standards of conduct for all such public elected and appointed officials, employees, and agents by setting forth those acts that are incompatible with the best interests of Harnett County.

Section II. Coverage

All elected officials, appointed officials, employees, and agents shall be subject to and shall abide by this policy.

Section III. Definitions

The following words, terms, and phrases, when used in this policy, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Agent - All persons who are not County officials or employees that are authorized by the County to act for or in place of the County in the conduct, management, or administration of a particular project, contract(s) or endeavor.

Appointed Official – All persons appointed to any County board or commission.

Business Entity - Any business, proprietorship, firm, partnership, person in representative or fiduciary capacity, association, venture, trust, or corporation which is organized for financial gain or for profit.

Covered Individual – An elected official, appointed official, employee, or agent of the County.

Covered Nonprofit Organization – A nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or the County.

Direct Benefit – (i) having a ten percent (10%) ownership interest or other interest in a contract or Subaward; (ii) deriving any income or commission directly from a contract or Subaward; or (iii) acquiring property under a contract or Subaward.

Elected Official - The members of the Harnett County Board of Commissioners, the Sheriff, and the Register of Deeds.

Employee - All full-time and part-time persons employed by the County, including contracted and appointed positions.

Federal Financial Assistance - Federal financial assistance that the County receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).

Immediate Family –

- A. **Applicable to contracts, subawards, grants, and other transactions under North Carolina Law:** The spouse and all children of the Covered Individual.
- B. **Applicable to Federal contracts, subawards, and grants:** (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship

Interest – Direct or indirect pecuniary or material benefit accruing to Covered Individual as a result of a contract, Subaward, or transaction which is or may be the subject of an

official act or action by or with the County. For the purpose of this article, a Covered Individual shall be deemed to have an interest in the affairs of:

- (1) For State contracts, Subawards, grants and other transactions: Any person in his/her Immediate Family;
For Federal contracts, Subawards, grants, or transactions: a Related Party;
- (2) Any business entity in which he/she is an officer or director;
- (3) Any business entity in which in excess of ten percent (10%) of the stock of, or legal or beneficial ownership of, is controlled or owned directly or indirectly by them; or
- (4) A Covered Nonprofit Organization on which they currently serve as an officer, director, or board member.

Official Act or Action – Any legislative, administrative, appointive, or discretionary act of a Covered Individual.

Pass-Through Entity – A non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program

Related Party – (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the County) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Subaward – An award provided by a Pass-Through Entity to carry out part of a Federal award received by the Pass-Through Entity. This does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program.

Subrecipient - An entity that receives a Subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A Subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

Section IV. Policy

A. Interest in Contract, Agreement, or Subaward

No Covered Individual shall have or thereafter acquire an interest in any contract, agreement, or Subaward with the County. Additionally, no Covered Individual shall participate directly or indirectly in the selection, award, or administration of a contract, agreement, or Subaward if he/she has a real or apparent conflict of interest.

a) Real Conflict of Interest-

- A. For State contracts, agreements, or Subaward: A real conflict of interest shall exist when a Covered Individual or Immediate Family Member has a

financial or other interest in or tangible personal benefit from a firm considered for a contract, agreement, or Subaward.

- B. For Federal contracts, agreements, or Subawards: A real conflict of Interest shall exist when a Covered Individual or Related Party has a financial or other interest in or tangible personal benefit from a firm considered for a contract, agreement, or Subaward.

b) Apparent Conflict of Interest –

- A. For state contracts, agreements, or Subawards: An apparent conflict of interest shall exist where a real conflict of interest may not exist, but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that there a Covered Individual or Immediate Family member has a financial or other interest in or a tangible personal benefit from a firm considered for a contract, agreement, or Subaward.
- B. For Federal contracts, agreements, or Subawards: An apparent conflict of interest shall exist where a real conflict of interest may not exist, but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that there a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a contract, agreement, or Subaward.

B. Use of Official Position

No Covered Individual shall use his/her official position or the County's facilities for his/her private gain, nor shall he/she appear before or represent any private person, group, or interest before any department, agency, commission, or board of the County except in matters of purely civic or public concern. This subsection is not intended to prohibit speaking before neighborhood groups and other nonprofit organizations. No Covered Individual shall participate in the selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the Covered Individual, a member of his/her immediate family, his/her partner, or an organization which employs, or is about to employ, any of the above individuals, as a financial or other interest in the firm selected for award.

C. Disclosure of Information

No Covered Individual shall use or disclose confidential information gained in the course of or by reason of his/her official position for purposes of advancing:

- 1) His/her financial or personal interest;
- 2) A business entity of which he/she is an owner in part or in whole, an officer, or director; or

- 3) The financial or personal interest of a member of his/her immediate family or that of any other person.

D. Incompatible Service

No Covered Individual shall engage in or accept private employment or render service for private interest, when such employment or service is incompatible with the proper discharge of his/her official duties or would tend to impair his/her independence of judgment or action in the performance of his/her official duties, nor shall any Covered Individual serve on any County board except where expressly required by statute and provided disclosure is made as provided in this article.

E. Gifts

No Covered Individual shall directly or indirectly solicit, accept, or receive any gift, favor, reward, service, or promise of award whether in the form of money, cash equivalents (instruments readily convertible into cash such as money, orders, and checks), gift cards, gift certificates, pre-paid credit cards, services, loans, travel, entertainment, hospitality, or things or promises, including a promise of future employment, under circumstances in which it could reasonably be inferred that the gift, favor, reward, service, or promise of award was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties, or was intended as a reward for any official action on his/her part. Legitimate political contributions, advertising items or souvenirs of nominal value, honoraria for participating in meetings, and meals at banquets shall not be considered as gifts, favors, or rewards under this policy.

F. Special Treatment

No Covered Individual shall grant any special consideration, treatment, or advantage to any citizen beyond that which is available to every other citizen.

G. Disclosure of Interest in Official Act or Action

Any member of the Harnett County Board of Commissioners or member of an appointed board or commission who has an interest in any official act or action before the Board of Commissioners or an appointed board or commission shall publicly disclose on the record the nature and extent of such interest and shall not vote on the matter if excused by the Board of Commissioners or appointed board or commission. The question of the compensation and allowance of members of the Board of Commissioners is not a matter involving a member's own financial interest or official conduct. However, a member of the Board of Commissioners or a member of an appointed board of commission shall not participate or vote regardless of whether the member is excused in the following circumstances:

1. If the matter involves a legislative land use matter (such as a rezoning or text amendment) where the outcome of the matter is reasonably likely to have a direct, substantial, and readily personal financial impact;
2. If the matter involves a quasi-judicial function (such as the issuance of a special use permit or an appeal of a personnel decision) and the member has a financial interest in the outcome;
3. If the matter involves a contract from which the member derives a direct benefit.

H. Oversight of Subrecipient's Conflict of Interest Standards

Prior to the County's execution of any Subaward for which the County serves as a Pass-Through Entity, the employee(s) responsible for the management of the Subaward shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations. Any contract or agreement with the Subrecipient shall require the Subrecipient to disclose any real or apparent conflicts of interest to the County, which shall then be reported to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

I. Reporting Violations

The County requests and strongly urges employees to report any violations or possible or perceived violations of this policy to their Department Head, Human Resources, or the County Manager's office. The County shall not discharge, demote, or otherwise discriminate against any employee in reprisal for disclosing information that an employee reasonably believes is evidence of any violations or possible or perceived violations of this policy.

J. Discipline for Violations

The County will investigate and respond to all reports of violations or perceived violations of this policy. Violation of this policy may result in disciplinary action, up to and including termination, removal from an appointed board or commission, or a motion or resolution of censure. The County shall terminate any contract or agreement with any subcontractor found to be in violation of this policy.