

1 The Transylvania County Board of Education (the “board”) is committed to conducting the
2 purchasing function in an ethical manner and in compliance with state and federal laws and
3 regulations. The board expects all employees who are directly or indirectly involved in any
4 aspect of the purchasing function to be aware of and comply with all current state and federal
5 laws and regulations as these standards apply to the school system’s purchasing activities.

6
7 **A. STANDARDS OF CONDUCT**
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9 Employees directly or indirectly involved in any aspect of the school system’s
10 procurement, purchasing, and/or contracting process for apparatus, materials, equipment,
11 supplies, services, real property, or construction or repair projects, regardless of source of
12 funds, must adhere to the following standards of conduct and those established in policies
13 7730, Employee Conflict of Interest, and 8305, Federal Grant Administration.
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- 15 1. Employees are expected to make all purchasing-related decisions in a neutral and
16 objective way based on what is in the best interest of the school system and not in
17 consideration of actual or potential personal benefit.
18
- 19 2. Employees shall not participate, directly or indirectly, in making or administering
20 any contract from which they will obtain a direct benefit, unless an exception is
21 allowed pursuant to law.
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23 An employee obtains a direct benefit when the employee or his or her spouse will
24 receive income, commission, or property under the contract or the employee or
25 spouse has more than a ten percent (10%) interest in an entity that is a party to the
26 contract. See G.S. 14-234 and policy 7730, Employee Conflict of Interest.
27

28 Participation in making or administering a contract includes, but is not limited to,
29 participating in the development of specifications or contract terms; obtaining or
30 reviewing bids; preparation or award of the contract; and having the authority to
31 make decisions about, interpret, or oversee the contract.
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- 33 3. Employees shall not participate, directly or indirectly, in the selection, award, or
34 administration of a contract supported in whole or part by a federal grant or award
35 if the employee has a real or apparent conflict of interest. See 2 C.F.R. 200.318
36 and policy 8305, Federal Grant Administration.
37

38 A real or apparent conflict exists when the employee, his or her immediate family
39 member or partner, or an organization which employs or is about to employ any
40 of those individuals, has a financial or other interest in or receives a tangible
41 personal benefit from a firm considered for a contract. For purposes of this
42 subsection, a “financial interest” means a financial interest which comprises more
43 than five percent (5%) of the equity of the firm or business or more than five
44 percent (5%) of the assets of the economic interest in indebtedness. It does not

- 45 include an ownership interest held through a fiduciary, such as a mutual fund or
46 blind trust, where the individual or individual's employer has no control over the
47 selection of holdings.
48
- 49 4. Employees shall not influence or attempt to influence any person involved in
50 making or administering a contract from which the employee will obtain a direct
51 benefit as described in paragraph 2, above.
52
- 53 5. Employees shall not solicit or receive any gift, favor, reward, service, or promise
54 of reward, including a promise of future employment, in exchange for
55 recommending, influencing, or attempting to influence the award of a contract by
56 the school system.
57
- 58 6. Employees shall notify the superintendent or designee in writing if they have an
59 actual or potential conflict of interest under this policy or applicable state or
60 federal law that would disqualify them from performing any aspect of their job
61 responsibilities.
62
- 63 7. Employees shall not solicit or accept trips, meals, gratuities, gifts, favors, or
64 anything of monetary value from current or recent (within the past year)
65 contractors, subcontractors, or suppliers, or any persons or entities that
66 foreseeably may bid on a contract in the future, unless the item is an unsolicited
67 gift of nominal value (\$50 or less), and is one of the following: an advertising
68 item or souvenir that is widely distributed; an honorarium for participating in a
69 meeting; a meal provided at a banquet; or other item that is clearly permitted by
70 state and federal law. Multiple permitted items from a single contractor may not
71 exceed an aggregate value of \$100 in a twelve-month period.
72
- 73 Employees shall inform existing and potential contractors, subcontractors, and
74 suppliers about these restrictions.
75
- 76 8. Employees shall not solicit or accept any gift from a current or potential provider
77 of E-rate services or products in violation of applicable federal E-rate program
78 gifting rules.
79
- 80 9. Employees shall not divulge confidential information to any unauthorized person.
81 Confidential information includes, but is not limited to, (1) the school system's
82 cost estimate for any public contract, prior to bidding or completion of other
83 competitive purchasing processes; and (2) the identity of contractors who have
84 obtained proposals for bid purposes for a public contract, until the bids are opened
85 in public and recorded in the board minutes.
86
- 87 10. An employee shall not misuse information in violation of G.S. 14-234.1.
88 Specifically, an employee shall not, in contemplation of the employee's own

89 official action or that of the board or others acting on behalf of the school system,
90 or in reliance on information known to the employee in his or her official capacity
91 and not made public, to:

- 92
- 93 a. acquire a financial interest in any property, transaction, or enterprise;
 - 94 b. gain a financial benefit that may be affected by the information or
95 contemplated action; or
 - 96 c. intentionally aid another to acquire a financial interest or gain a financial
97 benefit from the information or contemplated action.
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101 **B. TRAINING**

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103 The superintendent or designee shall ensure that all affected ~~employees~~ ~~personnel~~ are
104 aware of board policy requirements and applicable laws.

105

106 *As described in policy 7730, Employee Conflict of Interest, employees who are involved*
107 *in the making or administering of contracts shall receive conflicts of interest training that*
108 *includes position-specific education on conflicts of interest and ethical standards of*
109 *conduct.*

110

111 **C. VIOLATIONS**

112

113 Any individual aware of any violation of this policy, policy 2121, Board Member
114 Conflict of Interest, policy 7730, Employee Conflict of Interest, the conflict of interest
115 provisions of policy 8305, Federal Grant Administration, or applicable conflict of interest
116 laws shall report such violation in accordance with policy 1760/7280, Prohibition Against
117 Retaliation. Employees who violate this policy, policy 2121, policy 7730, or the conflict
118 of interest provisions of policy 8305, will be subject to disciplinary action.

119

120 Legal References: 2 C.F.R. 200.318(c); 47 C.F.R. 54.503; FCC Sixth Report and Order 10-175;
121 G.S. 14-234, -234.1; **115C-335.15**; 133-32, -33; Attorney General Opinion requested by L.W.
122 Lamar regarding G.S. 133-32, the Applicability to Attorneys and Law Firms Providing
123 Professional Services to Local Boards of Education, dated May 13, 1993

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125 Cross References: Prohibition Against Retaliation (policy 1760/7280), Board Member Conflict
126 of Interest (policy 2121), Bidders' List (policy 6441/9121), Employee Conflict of Interest (policy
127 7730), Federal Grant Administration (policy 8305)

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129 Adopted: March 20, 2017

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131 Revised: December 17, 2018; **[DATE]**