

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.
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7 Employees directly or indirectly involved in any aspect of the school system’s procurement,
8 purchasing, and/or contracting process for apparatus, materials, equipment, supplies, services,
9 real property, or construction or repair projects, regardless of source of funds, must adhere to the
10 following standards of conduct and those established in policies 7730, Employee Conflict of
11 Interest, and 8305, Federal Grant Administration.
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- 13 1. Employees are expected to make all purchasing-related decisions in a neutral and
14 objective way based on what is in the best interest of the school system and not in
15 consideration of actual or potential personal benefit.
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- 17 2. Employees shall not participate, directly or indirectly, in making or administering any
18 contract from which they will obtain a direct benefit, unless an exception is allowed
19 pursuant to law.
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21 An employee obtains a direct benefit when the employee or his or her spouse will receive
22 income, commission, or property under the contract or the employee or spouse has more
23 than a ten percent (10%) interest in an entity that is a party to the contract. See G.S. 14-
24 234 and policy 7730, Employee Conflict of Interest.
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26 Participation in making or administering a contract includes, but is not limited to,
27 participating in the development of specifications or contract terms; obtaining or
28 reviewing bids; preparation or award of the contract; and having the authority to make
29 decisions about, interpret, or oversee the contract.
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- 31 3. Employees shall not participate, directly or indirectly, in the selection, award, or
32 administration of a contract supported in whole or part by a federal grant or award if the
33 employee has a real or apparent conflict of interest. See 2 C.F.R. 200.318 and policy
34 8305, Federal Grant Administration.
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36 A real or apparent conflict exists when the employee, his or her immediate family
37 member or partner, or an organization which employs or is about to employ any of those
38 individuals, has a financial or other interest in or receives a tangible personal benefit from
39 a firm considered for a contract. For purposes of this subsection, a “financial interest”
40 means a financial interest which comprises more than five percent (5%) of the equity of
41 the firm or business or more than five percent (5%) of the assets of the economic interest
42 in indebtedness. It does not include an ownership interest held through a fiduciary, such
43 as a mutual fund or blind trust, where the individual or individual’s employer has no
44 control over the selection of holdings.

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4. Employees shall not influence or attempt to influence any person involved in making or administering a contract from which the employee will obtain a direct benefit as described in paragraph 2, above.
 5. Employees shall not 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 school system.
 6. Employees shall notify the superintendent or designee in writing if they have an actual or potential conflict of interest under this policy or applicable state or federal law that would disqualify them from performing any aspect of their job responsibilities.
 7. Employees shall not solicit or accept trips, meals, gratuities, gifts, favors, or anything of monetary value from current or recent (within the past year) contractors, subcontractors, or suppliers, or any persons or entities that foreseeably may bid on a contract in the future, unless the item is an unsolicited gift of nominal value (\$50 or less), and is one of the following: an advertising item or souvenir that is widely distributed; an honorarium for participating in a meeting; a meal provided at a banquet; or other item that is clearly permitted by state and federal law. Multiple permitted items from a single contractor may not exceed an aggregate value of \$100 in a twelve-month period.

Employees shall inform existing and potential contractors, subcontractors, and suppliers about these restrictions.
 8. Employees shall not solicit or accept any gift from a current or potential provider of E-rate services or products in violation of applicable federal E-rate program gifting rules.
 9. Employees shall not divulge confidential information to any unauthorized person. Confidential information includes, but is not limited to, (1) the school system's cost estimate for any public contract, prior to bidding or completion of other competitive purchasing processes; and (2) the identity of contractors who have obtained proposals for bid purposes for a public contract, until the bids are opened in public and recorded in the board minutes.
 10. An employee shall not misuse information in violation of G.S. 14-234.1. Specifically, an employee shall not, in contemplation of the employee's own official action or that of the board or others acting on behalf of the school system, or in reliance on information known to the employee in his or her official capacity and not made public, to:
 - a. acquire a financial interest in any property, transaction, or enterprise;
 - b. gain a financial benefit that may be affected by the information or contemplated action; or

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90 c. intentionally aid another to acquire a financial interest or gain a financial benefit
91 from the information or contemplated action.
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93 The superintendent or designee shall ensure that all affected personnel are aware of board policy
94 requirements and applicable laws. Any individual aware of any violation of this policy, policy
95 2121, Board Member Conflict of Interest, policy 7730, Employee Conflict of Interest, the
96 conflict of interest provisions of policy 8305, Federal Grant Administration, or applicable
97 conflict of interest laws shall report such violation in accordance with policy 1760/7280,
98 Prohibition Against Retaliation. Employees who violate this policy, policy 2121, policy 7730, or
99 the conflict of interest provisions of policy 8305, will be subject to disciplinary action.

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101 Legal References: 2 C.F.R. 200.318(c); 47 C.F.R. 54.503; FCC Sixth Report and Order 10-175;
102 G.S. 14-234, -234.1; 133-32, -33; Attorney General Opinion requested by L.W. Lamar regarding
103 G.S. 133-32, the Applicability to Attorneys and Law Firms Providing Professional Services to
104 Local Boards of Education, dated May 13, 1993
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106 Cross References: Prohibition Against Retaliation (policy 1760/7280), Board Member Conflict
107 of Interest (policy 2121), Bidders' List (policy 6441/9121), Employee Conflict of Interest (policy
108 7730), Federal Grant Administration (policy 8305)
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110 ~~The Transylvania County Board of Education (the "board") is committed to conducting the~~
111 ~~purchasing function in an ethical manner. The board's purchasing goals and principles will not~~
112 ~~be compromised by individuals motivated by personal gain.~~
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114 ~~The board and its officers, agents, and employees are subject to the laws governing conflicts of~~
115 ~~interest in furnishing supplies to the board and the use of confidential information.~~
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117 ~~No board member or officer, agent, or employee involved in the purchasing function may do any~~
118 ~~of the following:~~
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- 120 1. ~~accept any gift, favor, reward, service, or promise of reward, including a promise of~~
121 ~~future employment, in exchange for recommending, influencing, or attempting to~~
122 ~~influence the award of a contract with the board;~~
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124 2. ~~accept trips or meals from contractors, subcontractors, or suppliers, except gifts or favors~~
125 ~~of nominal value or meals furnished at banquets; or~~
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127 3. ~~solicit or accept any gift or donation from an E-rate service provider in violation of~~
128 ~~federal gifting rules.~~
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130 ~~The school system's cost estimate for any public contract is confidential prior to bidding or~~
131 ~~completion of other competitive purchasing processes. The identity of contractors who have~~
132 ~~obtained proposals for bid purposes for a public contract is confidential until the bids are opened~~

133 ~~in public and recorded in the board minutes. Any employee who divulges confidential~~
134 ~~information to any unauthorized person will be subject to disciplinary action.~~

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136 ~~The superintendent or designee shall ensure that all affected personnel are aware of board policy~~
137 ~~requirements and applicable laws. Any individual aware of any violation of this policy or~~
138 ~~applicable laws should report such violation to the superintendent, or, if it involves the~~
139 ~~superintendent, to the board chairperson.~~

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141 ~~Legal References: G.S. 14-234, 234.1; 133-32, 33; Attorney General Opinion requested by~~
142 ~~L.W. Lamar regarding G.S. 133-32, the Applicability to Attorneys and Law Firms Providing~~
143 ~~Professional Services to Local Boards of Education, dated May 13, 1993; 47 C.F.R. 54.503; FCC~~
144 ~~Sixth Report and Order 10-175~~

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146 ~~Cross References: Board Member Conflict of Interest (policy 2121), Bidders' List (policy~~
147 ~~6441/9121), Employee Conflict of Interest (policy 7730)~~

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149 ~~Adopted: March 20, 2017~~

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151 ~~Revised: [DATE]~~

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