
 <p>DURHAM 1869 CITY OF MEDICINE</p>	<p><b>City of Durham, NC</b></p> <p><b>Human Resource</b></p> <p><b>Memorandum</b></p>	<p><b>Effective Date</b></p> <p>September 2011</p>	<p><b>Number</b></p> <p>HRM 801-808</p>
<p><b>To:</b> Deputy City Managers and All Department Directors</p>		<p><b>Manual</b></p> <p>Human Resource</p>	<p><b>Revision</b></p> <p>1</p>
<p><b>Signature:</b></p>  <p>Thomas J. Bonfield, City Manager</p>		<p><b>Subject:</b></p> <p>Employee Ethics Policies</p>	

## I. Purpose

The purpose of this Ethics Policy is to establish a policy to promote and demand the highest standards of ethics from all employees and to provide guidance on specific ethical topics.

City of Durham- We Value:

- o Integrity
- o Customer Service
- o Teamwork
- o Leadership
- o Open Communication
- o Fairness
- o Our Employees

## II. Ethics Policies

### 801. Core Ethics Policy

**SCOPE:** This policy applies to all employees of the City of Durham, unless otherwise addressed by a more restrictive federal, state or departmental policy.

**POLICY:** The City of Durham upholds, promotes, and requires the highest standards of ethics from its employees for personal integrity, truthfulness, honesty, responsibility and fairness in carrying out their public duties. Employees must avoid any improprieties in their roles as public servants and must never use their City position or powers for personal gain or in breach of the public trust.

#### **GUIDELINES:**

1. What ethical conduct is expected under this policy?

Ethical conduct includes, but is not limited to:

- Acting at **all** times in the best interests of the community we serve.
- Demonstrating excellence, integrity *and* responsibility in our work.
- Adhering to the laws of the United States, the State of North Carolina and the City of Durham.
- Providing honest, accurate, timely and complete information.
- Identifying problems and helping create solutions.
- Following City and department policies, procedures and rules.
- Reporting improper conduct.
- Keeping our co-workers safe from retaliation of any kind.
- Abstaining from decisions that could result in a direct benefit to the employee, a relative or co-habitant.

2. What are the key expectations for employees to comply with this policy?

Employees of the City are expected to:

- Read and understand this Ethics Policy.
- Follow appropriate ethical behaviors as specifically set forth in the Employment Policy Manual.
- Seek guidance in resolving ethical issues or concerns from their supervisor, Department Director, Human Resources or the City Manager's Office.
- Report to the Audit Services Department (Fraud Hotline-560-4213, ext 3), their supervisor, Department Director or Human Resources any conduct by other City employees which may violate this Core Ethics Policy, any other employment policies or the City's Operating Principles.

3. What are a supervisor's additional responsibilities for complying with this policy?

A supervisor's additional responsibilities for complying with this policy include:

- Monitoring and ensuring compliance with this Core Ethics Policy or other employment policies and the City's Operating Principles.
- Setting an example of exemplary ethical conduct.
- Dealing effectively with ethics concerns that arise in their area.
- Prohibiting retribution or retaliation against any employee who reports or supplies information about, or assists an investigation into, an ethics concern.

### III. Definition

Code of Ethics:

A code of ethics is a way of communicating the purpose, values and objectives of an organization. It usually proposes specific principles and rules of conduct. A key objective of a code is to provide guidance on expected behavior as well as rationale for that behavior. Our code also provides a way for the City to measure and monitor performance designed to achieve objectives and to instill values.

### IV. How to Procedures

A. Where to Seek Advice

1. Any employee who observes unlawful or improper actions by any representative of the City is expected to discuss the improper actions with their supervisor or bring the improper action to the attention of the **Advisory Committee**.

It is frequently necessary to consult administrative regulations, personnel rules and departmental directives to determine whether a particular action is allowable. The

**Advisory Committee** has the authority to clarify policy ambiguities and to investigate allegations of improper conduct.

The **Advisory Committee** is comprised of the Director of Audit Services, a Deputy City Manager and the Senior Assistant to the City Manager and other designee per the directive of the City Manager. The Committee maintains strict standards of confidentiality, and will not voluntarily release information about an inquiry. The Committee will accept anonymous complaints.

If City employees have any compliance questions or believe that violations of the Code of Ethics are occurring or have occurred, employees should talk with one of the following: a supervisor, Human Resources, City Manager's Office, or submit an anonymous complaint through the Fraud Hotline.

B. What To Do If You Are Uncertain

The existence of an ethical issue often does not arise until a meeting already is underway. Obviously, City employees do not have time to call a supervisor or the City Attorney's Office for advice. Rather than risk an inadvertent violation of policy, the safest course of action is simply to declare that a conflict may exist that prevents the employee from participating. The consistent theme is: "If in doubt, don't."

C. How to Declare a Possible Conflict

City employees, who think that a conflict of interest (or even a possible conflict) exists, should announce that fact as soon as the possible conflict comes to their attention. For example, if an employee is participating in a meeting or is a part of a request for proposal team and realizes that a conflict exists on a given matter, he or she should fully disclose the conflicting interest on the record which could include notification (for a non-official meeting) as part of a meeting summary, formal meeting minutes in the case of an official meeting or the attached form for all other situations. From that point on the City employee may not participate in any manner (by discussing, questioning or voting) in that matter. Although employees are not required to leave the meeting, they cannot be counted for purposes of constituting a quorum.

When the documentation (summary notes or official minutes) of the meeting are available, the staff will send a copy to the Audit Services Department with a note explaining that a conflict of interest was declared.

City employees should feel compelled to declare possible conflicts to avoid any hint of impropriety. To facilitate this process a "Conflict of Interest Declaration" form can be found attached to this policy.

D. Where to Report Improper Behavior

City employees have a duty to prevent any improper City actions. Hence, there is no shame in being a "whistleblower" if another employee is acting improperly. Moreover, employees should never attempt to use their authority or influence for the purpose of intimidating, threatening, coercing, commanding or influencing any person with the intent of interfering with that person's duty to disclose such improper activity.

1. City Employees can report (confidentially, if desired) any observed problem or wrongdoing to:
  - The Audit Services Department as follows:
    - a) Complete on-line complaint form: [http://www.durham-internet/departments/audit/fraud\\_form.cfm](http://www.durham-internet/departments/audit/fraud_form.cfm)
    - b) Make a telephone call to the Fraud, Waste and Abuse Hotline: (919) 560-4213
  - Send a letter addressed to:

The City Manager
101 City Hall Plaza, 2 <sup>nd</sup> Fl
Durham, NC 27701

## **V. Penalties and Sanctions**

### Violations of The Code Of Ethics

In addition to any other penalty as provided by law, employees who violate the Code of Ethics will be subject to disciplinary action, up to and including termination. The violation of this Code of Ethics by a City employee constitutes official misconduct thus prompting deference to the remedies of the Disciplinary Code.

Violations of the law and any of the policies set forth in this Ethics Policy may expose a City employee to a variety of penalties-including reprimand, removal from office, termination of employment and criminal prosecution.

In the case of a City employee, any disciplinary action must be conducted in accordance with personnel rules and regulations. Additional penalties authorized by law also may be imposed.

City employees must recognize the serious consequences of violating the City's ethics policies. Ultimate responsibility for complying with the law and with these policies rests with each City employee. Therefore, in situations involving potential conflicts of interest, doubts as to the application of this policy should be resolved by disqualification rather than by participation.

While the City of Durham has one core ethics policy, management has provided guidance on ethical topics for specific subject matter.

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## 802. Outside Employment

**SCOPE:** This policy applies to all employees of the City of Durham, unless otherwise addressed by a more restrictive departmental policy.

**POLICY:** Employees may engage in paid outside employment, consulting work or self-employment only if the work does not compete with or create a conflict of interest with an employee's duty to the City.

### DEFINITION:

**Outside Employment:** Outside employment includes any employment external to the City including self employment.

### GUIDELINES:

#### 1. When does outside employment "compete with" City employment?

Outside employment competes with an employee's duty to the City when the work requires an employee's conduct to be disruptive or damaging to the City and/or the City working environment.

Examples of work that may be viewed as competing with City employment include those that:

- May adversely affect job performance at the City, or an employee's ability to fulfill all job responsibilities at the City. Adverse effects may include but are not limited to poor job performance, fatigue or excessive absenteeism or tardiness.
- Interfere with an employee's ability to work his/her normal schedule at the City, or prevents the employee from being available for work beyond normal working hours, such as emergencies or peak work periods, and when such availability is a regular part of the employee's job.
- Interfere with responsibilities to the City as the primary employer.
- Involve performing services for customers that are normally performed by City employees.
- Require working for a competitor, a City grant and/or contract created by the employee, or self-employment that is in competition with the City.
- May require the use of City information, property, facilities and/or systems, such as phones, tools, equipment, etc.
- Involve assisting others in transactions with the City in which the employee has participated, or which has been under their official responsibility.

#### 2. What is a "conflict of interest"?

Outside employment creates a conflict of interest with an employee's duty to the City when an employee engages in activities for personal gain that compromises the employee's ability to represent the City's best interests. Examples of activities that may create a conflict of interest include those that:

- Require the use or disclosure of confidential City information.
- Impair objectivity or independent judgment, or create an impression of conduct that violates the public trust.
- Involve activities which may appear to conflict with the City's Core Ethics policy and/or other related employment policies.
- Negatively impact the normal course of the employee's official duties.

#### 3. How does an employee disclose outside employment?

The employee must provide his/her supervisor and the Department Director with a written disclosure of outside employment. The notice should include the dates of employment; the potential employer or, if self-employment, the name of the business; the type of work to be performed; any potential problems the outside employment may cause with City employment; and any actual or perceived competition or conflicts of interest with City employment. The City shall have the final determination regarding a conflict of interest.

4. What happens once the disclosure is made to the Director?

The Department Director will review the disclosure and determine if a conflict of interest exists. If any conflict of interest is perceived to exist, the Director will discuss with the employee options as to how the conflict can be resolved, and address any other conditions. If the Director and the employee cannot agree on a resolution, the employee will have the option to terminate the outside employment or resign from the City.

Employees may not perform any outside employment during the hours they are on duty working for the City.

The City may request information about an employee's outside employment at any time.

Appendix: Outside Employment Disclosure Form

OUTSIDE EMPLOYMENT DISCLOSURE

NAME: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Please print)

POSITION TITLE: \_\_\_\_\_ DEPARTMENT: \_\_\_\_\_

*In accordance with City of Durham Policy HRM 802 which I have read, notice is hereby given that I am engaged in the following outside employment or I desire to accept the following outside employment. I will comply with City policy and will notify the City if there are any changes to this request. I affirm that I am not aware of any conflict of interest which would exist if I commence/continue with this employment. I understand that any employment not listed is considered to have ended and City consent withdrawn.*

Please supply name of employer/business and a list of job duties and scope of work for **all** outside employment:

1. NAME OF EMPLOYER/BUSINESS: \_\_\_\_\_

New             Continuation             Resignation

Business Address:  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

Type of Business: \_\_\_\_\_

Job Duties/Scope of Work/Hours of Work per Week: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you have any dealings with this employer/business as part of your duties with the City?  
 Yes     No

Are you aware of any dealings the City of Durham has with this employer/business?  
 Yes     No

Signatures for Consent Based on the Absence of a Conflict of Interest:

\_\_\_\_\_ Date \_\_\_\_\_  
Supervisor

\_\_\_\_\_ Date \_\_\_\_\_  
Department Director

This form is not valid if the Department Director's signature is not affixed.



## 803. Conflict of Interest

**SCOPE:** This policy applies to all eligible employees of the City of Durham, unless otherwise covered by a more restrictive departmental policy.

**POLICY:** Employees are expected to represent the City in a positive and ethical manner. Employees have an obligation to avoid conflicts of interest or any activity which would give the appearance of a conflict of interest.

### GUIDELINES:

#### 1. What is a "conflict of interest"?

It is impossible to describe all of the situations that may cause or give the appearance of a conflict of interest. The following list is not intended to be exhaustive, but includes some of the clearer examples:

- Employees may not accept any employment relationship which competes with or creates a conflict of interest with a duty to the City.
- Accepting gifts, gratuities, loans, entertainment or other items of value from anyone with whom an employee regularly transacts City business, who has or seeks a contract with the City, or who desires other official action from the City.
- Giving, offering or promising anything of value to a customer, a potential customer, or a financial institution in connection with any transaction or business that the City may have with that customer, potential customer, or financial institution.
- Misusing confidential City information or disclosing such information to any individual who does not have a need to know the information.
- Using the City's name, account or credit to purchase merchandise for personal use.
- Using City assets or labor for personal use.

#### 2. What should an employee do if he/she learns of a situation that is a conflict of interest or may appear to be a conflict of interest?

Any conflict or potential conflict of interest must be disclosed to an employee's immediate supervisor, the Department Director or Human Resources as soon as possible.

#### 3. What if an employee is offered or receives a gift?

Any and all gifts received by a City employee at any time during the year should be given to the employee's immediate supervisor or the Department Director with an explanation of the circumstances surrounding receipt of the gift. If possible, the supervisor or Department Director will return the gift to the sender with a written expression of thanks and an explanation of the City policy concerning gifts. A copy of the letter will be sent to the City Manager.

If returning or refusing a gift would be impractical (such as food, flowers or plants), the supervisor will take the item to a recognized relief/assistance organization or make the item available for the enjoyment of all employees or members of the public in the employee's work area. The supervisor will also send a thank you card to the person or company that provided the gift explaining what was done with the gift.

#### 4. Are there any situations when an employee may accept a gift?

- Yes, under limited circumstances. Items less than or equal to \$50.00 provided for advertising purposes such as pens, calendars, or items received at a conference, are acceptable. Employees should make every effort to use such items in the workplace instead of taking them home. In addition, meals may be purchased or provided for City employees at business meetings as long as there is a justifiable work-related purpose for the meeting. All gifts should be handled per item # 3.

## Appendix: Conflict of Interest

## Conflict of Interest Declaration

I certify that I have read and understand the Conflict of Interest Section of the City of Durham Code of Ethics and that I conclude for the current matter at hand that I believe a conflict of interest exists for me. I am making this informal declaration which I request be made a part of the minutes for this meeting. I will also excuse myself from further discussions to eliminate actual, potential, or perceived conflicts of interest. I will also not vote on any matter for which I have declared a conflict of interest.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Explanation of the conflict:

## Conflict of Interest Examples

The following examples are provided to give an idea of how Durham's Conflict of Interest policy would be applied. Of course, each situation will be decided upon the unique fact circumstances involved. The goal of these examples is to help develop greater sensitivity to ethical considerations. If City employees are in doubt of what they should do, they should opt not to participate.

### A. Conflicts of Interest

Listed below are illustrative examples of situations involving potential violations of Durham's Conflict of Interest policy. (All of the examples assume that the City employee or officer is a member of the public agency that is reviewing the matter in question.)

1. The City employee (or a relative) owns property in such close proximity to property that is the subject of a zoning or license application that the granting or denial of the application could affect the value of the employee's or relative's property.
2. The City employee (or a relative) has done work in the past for a firm seeking a City contract and anticipates doing further work for the firm in the future. A potential conflict exists regardless of whether the work involves the matter that is the subject of the contract. (However, a mere past association does not of itself constitute a conflict if the business relationship is not a continuing one.)
3. The City employee (or a relative) is an officer of a corporation that operates a chain of stores. An application by a competitor seeks zoning approval for a store within the service area of one of the stores owned by the member's corporation.
4. The City employee or a relative is a developer who files an application for approval of a project. Not only must the City employee disqualify himself from consideration of the application, the employee also may not participate in the matter by personally presenting the application to the public body. (However, someone else may present the application on behalf of City employees.)
5. The City employee is a realtor who has had discussions concerning a listing agreement with the owner of property that is the subject of a zoning application. If the City employee wishes to pursue the agreement, he should disqualify himself from considering the application. If the City employee does not disqualify himself, he should not subsequently enter into the listing agreement.
6. A proposed amendment to the City Code seeks to regulate a specific type of business activity. The City employee has an exclusive franchise or right to conduct the activity in the City.
7. The City employee has an interest in property that will be uniquely affected by a proposed land use plan, and the adoption of the plan could affect the value of the property (e.g., the plan confers special benefits on the property that are not applied to other similarly situated properties).
8. The close relative of a City employee is in business with a person whose application or contract is being considered by the public agency.
9. The City employee receives more than five percent of his/her total annual income from a corporation that has an application or a contract pending before the public body.
10. The City employee is seeking the award of a professional services contract from the City, unless the contract will be awarded through competitive bidding to the lowest bidder. A conflict of interest exists in the absence of competitive bidding regardless of whether the City employee participates in awarding the contract. In other words, a City employee is prohibited from contracting with the City unless the contract will be awarded through competitive bidding.

11. The City employee is a paid employee of an organization which receives funds appropriated by the City Council, including federal and state funds administered by the City.
12. The City employee is the non salaried officer of a nonprofit corporation that has an application that is being considered by the public body.
13. The City employee owns shares of a corporation that has an application being considered by the public body. The City employee does have a conflict if the total annual income from dividends, including the value of stock dividends from the corporation, exceeds 5% of the total annual income of the City employee and any other payments made to him by the corporation.

#### **B. No Conflict of Interest Exists**

Following are illustrative examples of situations that do not constitute violations of the Conflict of Interest policy. (Again, all examples assume that the City employee is a member of the public agency that is reviewing the matter in question.)

1. The City employee is a member of a trade association that has applied for an amendment to the City Code that is being considered by the public agency.
2. The City employee owns a property in an area that is included in a proposed land-use plan that is being considered by the public body (unless that plan would uniquely affect the property of the City employee).
3. The City employee is a tenant of a property owner who is seeking a City contract (unless the contract would affect the pecuniary or proprietary interest of the City employee).
4. The City employee is the attorney for a contracting party (as long as the City employee does not represent the person in regard to the contract).
5. The City employee is an advocate for or against a matter before the public agency and has publicly stated that he will or will not support the matter (unless the matter will affect the pecuniary or proprietary interest of the City employee).
6. The City employee contracts to purchase services or goods from a firm that does business with the City (as long as the contract is unrelated to official actions taken by the City employee, and the City employee receives no benefit from the firm as a result of official action).

## 804. Nepotism

**SCOPE:** This policy applies to all eligible employees of the City of Durham.

**POLICY:** To avoid the reality or appearance of improper influence or favoritism, two employees who are dating or are in the same immediate family may be employed by the City *unless* such employment would create a real or potential conflict of interest.

### GUIDELINES:

1. What relationships are included in this policy?

For the purposes of this policy, relationships under this policy may include employees dating each other, the employee's spouse, domestic partner, child, domestic partner's children, mother, father, brother, sister, step child, step mother, step father, aunt, uncle, mother-in-law, father-in-law, daughter-in-law, son-in-law, brother-in-law, sister-in-law, grandparents and grandchildren, and grandparents and grandchildren of the spouse or member of the employee's household, other than roommates.

Each employee must inform his/her immediate supervisor and Department Director immediately if they enter into a relationship which may create a conflict of interest under this policy.

2. What is a "conflict of interest"?

A conflict of interest exists where the City has a compelling and essential need to avoid a business-related conflict of interest or the reality of appearance of improper influence or favor.

A conflict of interest always exists under the following circumstances:

- Where one of the individuals would have authority (or practical power) to supervise, appoint, remove or discipline the other.
- Where one of the individuals would be responsible for leading, auditing, overseeing, or guiding the work of the other.

A conflict of interest may also exist in other situations such as where both employees would report to the same immediate supervisor.

3. What if a reassignment, transfer or promotion would create a conflict of interest?

The City will actively seek solutions to prevent a conflict and still allow the reassignment, transfer or promotion.

4. What will happen if two City employees establish a relationship (as defined in this policy)?

If a conflict or potential conflict exists due to the new relationship, the City will attempt to find a suitable accommodation to eliminate the conflict. If accommodations are not feasible, the employees will be given 30 calendar days to determine which of them **will** resign. If no decision is made during this time, the City reserves the right to make the decision.

For more detailed information see HRM 307 Employment of Relatives.

## 805. Political Activities

**SCOPE:** This policy applies to all employees of the City of Durham.

**POLICY:** Employees shall not use or authorize the use of City facilities, property or assets for working on campaigns for the election of any person to any office or for the promotion of, or opposition to, any ballot proposition.

### GUIDELINES:

1. What types of activities are prohibited under this policy?  
City employees are prohibited from using their official position to unlawfully influence, interfere with, or affect the results of an election. Therefore, no employee or group of employees, representing themselves as City employees, shall campaign for or against any political candidate or ballot measure, or endorse or oppose a political advertisement, broadcast, statement or campaign literature. Nothing in this section prohibits a City employee from personally supporting or opposing any candidate for public office during off-duty hours.
2. Can an employee display or distribute campaign paraphernalia at work?  
No. Employees shall not display or distribute partisan literature, political buttons, stickers, banners, etc., during work hours or on City property or in City vehicles.
3. May an employee testify as a private citizen at public hearings or meetings regarding issues affecting the City?  
Yes. If the employee's testimony is given during non-work hours or approved vacation leave and the employee discloses that he/she is testifying as a private citizen and not a City employee.

For more detailed information see HRM 705 Political Activities.

## 806. Whistleblower Protection

**SCOPE:** This policy applies to all employees of the City of Durham.

**POLICY:** Public employees have an obligation to assure that the City in general, and their departments in particular, perform ethically, as well as efficiently and effectively. City employees are prohibited from engaging in improper governmental action and are encouraged to report suspicious, unethical or illegal conduct or any other suspected improper governmental action taken by other employees, supervisors or officers. Employees who make good faith reports of improper governmental action will be protected from intimidation or retaliation for making a report.

### GUIDELINES:

1. Why does the City have a whistleblower program?

The whistleblower program holds City employees accountable for their actions. The policy also protects employees who make good faith reports of improper governmental action. And, most importantly, the program stops inappropriate and illegal governmental actions.

2. What is "improper governmental action"?

Improper governmental action is any action taken by a City employee, supervisor, Department Director or officer that is:

- A violation of any federal, state or local law or rule;
- An abuse of authority;
- A gross waste of public funds (including use of public funds for private gain); or
- A substantial and specific danger to public health or safety.

Improper action does not include personnel actions or decisions or disciplinary actions.

3. Who can report improper governmental action?

Any employee working for the City may report suspected improper governmental actions through this Whistleblower program. This includes regular and temporary employees as well as elected officials.

4. Is there any information that does not fall under the Whistleblower Protection Policy?

Yes. This policy does not authorize disclosure where prohibited by law.

5. How should an employee report suspected improper governmental action?

To report suspected improper governmental action, an employee should take the following steps:

- Submit a written report of the action to any Department Director, the City Attorney or an Assistant City Attorney, Internal Auditor, Risk Manager or Human Resources Director. The report should describe the suspected improper governmental action, the name of the employee(s) involved, and when the action occurred. In cases of an emergency (an immediate risk of injury or damage to property), the matter should be immediately brought to the attention of one of these individuals, and followed by a written report.
- If an employee reports a suspected governmental action to the appropriate person and no action is taken, or the employee is not satisfied with the action taken, a report may then be made to the City Manager.

6. Will the reporting employee's identity remain confidential?

Yes. The identity of a reporting employee shall be kept confidential to the extent possible under law, unless the employee authorizes the disclosure of his/her identity in writing.

7. Can an employee be prohibited from filing a report of improper governmental action with another governmental agency?

No. Direct or indirect interference or attempts to interfere with filing a report is prohibited.

8. What actions will the City take if an employee reports improper governmental action?

The City will conduct an investigation of the alleged suspicious, unethical or illegal conduct or other improper governmental action. If it is determined that improper governmental action did occur, the City will take appropriate action and immediately report known or suspected loss of public funds or assets, or other illegal activity to the City Manager's Office.

9. What is "intimidation"?

Intimidation occurs when a City employee, Department Director, supervisor or officer uses his/her official authority or influence to threaten or coerce an employee for the purpose of interfering with that employee's right to report improper governmental action.

10. What is "retaliation"?

Retaliation is inflicting injury on an employee by making adverse changes to employment status or to the terms and conditions of employment because the employee made a report of improper governmental action or was believed to have made a report of improper governmental action. Under this definition, retaliation can take many forms. Examples of retaliatory action include, but are not limited to, unwarranted disciplinary action, unsubstantiated poor performance evaluations, reduction in pay, denial of a promotion, unwarranted termination of employment, or harassment.

11. What should an employee do if he/she is subjected to intimidation or retaliation?

Employees should provide a written report of any suspected intimidation or retaliation along with the relief requested to the Human Resources Department.

12. Do supervisors and Department Directors have any additional responsibilities under this policy?

Yes. As with any policy, supervisors and Department Directors are responsible for enforcement. Under this particular policy, supervisors and Department Directors are required to report any knowledge of any improper action to Human Resources including, but not limited to, a complaint received from an employees.



## 807. Contracting with the City

**SCOPE:** This policy applies to all employees of the City of Durham unless otherwise addressed by another more restrictive departmental agreement.

**POLICY:**

North Carolina General Statute 133.32, which the City of Durham prescribes to, prohibits any employee who has "a substantial interest in any contract, sale, purchase or service to such public agency" from participating in any way with the transaction. Also, no City employee or anyone officially representing the City can provide certain goods and services to the City without competitive bidding.

**GUIDELINES:**

1. Business Opportunities.  
*Arising in the Course of Daily Job Duties*
  - a. City employees are prohibited from taking for their personal benefit, advantage of business opportunities that are discovered while performing City services or through the use of City property, information or position.*Developed from Insider Information*
  - b. Under no circumstances may information only known within the City be used to further personal gain.
  
2. No Competition.  
*Employed Employee*
  - a. City employees are prohibited from competing or doing business with the City while employed by or otherwise serving the City, or for such longer period as may be provided in a City employee's employment agreement, if applicable.*Former Employees*
  - b. The City shall not contract with any former employee or employer of any former employee for any goods or services for a period of one year from the employee's separation from the City if that former employee is operating in a managerial, entrepreneurial or consulting capacity related to the contract.
  
3. Personal Loans.  
 It is contrary to City policy for the City to extend or maintain credit, to arrange for the extension of credit, or to guarantee an extension of credit, in the form of a personal loan (or similar contractual arrangement) to or for any City employee. It is also inappropriate for any City employee to solicit the City for a loan of any kind (except in the case of approved travel advances or advance sick leave).
  
4. Loans Involving Third Party Stakeholders.  
 City employees are prohibited from: 1) a quid pro quo relationship with regard to loans; or 2) asking anyone for a loan where there was a business relationship within the past twelve months, where there is the opportunity to have a business relationship in the present or in the future. Specifically, City employees cannot solicit money from third party stakeholders in exchange for granting favors; nor can loans be accepted by City employees in exchange for favors in the course of one's job responsibilities.

**EXCEPTION TO THE POLICY:**

The City Manager may grant express written exception to this policy through the chain of command.

## 808. Disclosure of Confidential Information

**SCOPE:** This policy applies to all City employees.

**POLICY:** City employees often have access to important non-public information regarding the property, operations, policies or affairs of the City. Such information may concern real estate transactions, expansion of public facilities or other City projects. The disclosure of this inside information may benefit a few at the expense of a possible monetary loss to the City and a deterioration of public confidence. If a City employee is privy to confidential information, they may not disclose that information to any private citizen and should disclose it to other public employees only if appropriate.

**GUIDELINES:**

NC General Statute 133.32 provides that, during a person's employment or service with the City and for two years thereafter, no City employee may disclose or use confidential information without appropriate authorization.

1. Use of Confidential Information:

City employees shall not use confidential information acquired by or available to them in the course of their employment with the City for personal gain or for personal, non-City business related reasons.

## **VII. Definitions**

### **Gift:**

A gift is defined as anything that has a monetary value (e.g. gratuity, discount, entertainment, hospitality) given by or received from a prohibited source. A prohibited source means any person, business or entity that the involved employee knows or should know:

- a. Is seeking official action from the City; or
- b. Is seeking to do or is doing business with the City; or
- c. Represents a person who is seeking official action from the City or who is seeking to do or is doing business with the City; or
- d. Has interests that may be affected by the performance or non-performance of official duties by the employee; or
- e. Is a registered lobbyist in accordance with the law.

### **Outside Employment:**

Outside employment includes any employment external to the City including self-employment.

### **Conflict of Interest:**

A conflict of interest activity is an activity in which (a) the City employee's private interest in any material way conflicts or interferes with the interests of the City, (b) the City employee has a material personal interest that will impair the ability to perform his or her City work objectively and effectively, or (c) the City employee or a Related Person (as defined below) derives a material personal benefit as a result of the City employee performing City services.