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In accordance with N.C.G.S. §§ 14-234, 115D-26, 133-32, and Chapter 138A and in order to avoid conflicts of interest, the appearance of a conflict of interest or the appearance of impropriety, the Board of Trustees and College employees shall adhere to the following rules:

I. CONFLICTS OF INTEREST PROHIBITED

1. No board member or employee who is involved in making or administering a contract on behalf of the College may derive a direct benefit from the contract except as provided in this Policy, or as otherwise allowed by law.
2. A board member or employee who will derive a direct benefit from a contract with the College, but who is not involved in making or administering the contract, shall not attempt to influence any other person who is involved in making or administering the contract.
3. No board member or employee may 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 College.

II. DEFINITIONS FOR CONTRACTS WITH THE COLLEGE

For purposes of this Policy:

1. A board member or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract.
2. A board member or employee is involved in making a contract if he or she participates in the development of specifications or terms or in the preparation or award of the contract. A board member is also involved in making a contract if the board takes action on the contract, whether or not the board member actually participates in that action, unless the contract is approved under an exception to this Policy under which the board member is allowed to benefit and is prohibited from voting.
3. A board member or employee derives a direct benefit from a contract if the person or his or her spouse:
    a. Has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract;
    b. Derives any income or commission directly from the contract; or
    c. Acquires property under the contract.
4. A public officer or employee is not involved in making or administering a contract solely because of the performance of ministerial duties related to the contract.

III. EXCEPTIONS FOR CONTRACTS WITH THE COLLEGE

Section I(1) of this Policy does not apply to any of the following:

1. Any contract between the College and a bank, banking institution, savings and loan association, or with a public utility regulated under the provisions of Chapter 62 of the General Statutes.
2. An interest in property conveyed by a board member or employee of the College under a judgment, including a consent judgment, entered by a superior court judge in a condemnation proceeding initiated by the College.
3. Any employment relationship between the College and the spouse of a board member of the College.
4. Remuneration from the College for services, facilities, or supplies furnished directly to needy individuals by a board member or employee of the College under any program of direct public assistance being rendered under the laws of this State or the United States to needy persons administered in whole or in part by the College if:
    a. The programs of public assistance to needy persons are open to general participation on a nondiscriminatory basis to the practitioners of any given profession, professions or occupation;
    b. Neither the College nor any of its employees or agents, have control over who, among licensed or qualified providers, shall be selected by the beneficiaries of the assistance;
    c. The remuneration for the services, facilities or supplies are in the same amount as would be paid to any other provider; and
    d. Although the board member or employee may participate in making determinations of eligibility of needy persons to receive the assistance, he or she takes no part in approving his or her own bill or claim for remuneration.

No board member who will derive a direct benefit from a contract entered into under these enumerated exceptions may deliberate or vote on the contract or attempt to influence any other person who is involved in making or administering the contract.

IV. CONTINUATION OF CONTRACTS IN VIOLATION OF THIS POLICY

A contract entered into in violation of this Policy is void. A contract that is void under this Policy may continue in effect until an alternative can be arranged when:

1. Immediate termination would result in harm to the public health or welfare, and
2. The continuation is approved as provided in this Policy.

The College may request approval to continue contracts under this Policy by requesting approval from the chair of the Local Government Commission. Approval of continuation of contracts under this Policy may be requested for the minimum period necessary to protect the public health or welfare.

V. RECEIPT OF GIFTS

Unless a legal exception otherwise applies, no Board member or College employee may accept gifts from any person or group desiring to do or doing business with the College unless such gifts are instructional products or advertising items of nominal value that are widely distributed.

VI. REPORTING REQUIREMENTS

Any Board members or employees who have questions regarding this Policy or whose actions could be construed as involving a conflict of interest shall report as follows:

1. College employees shall report to the President.
2. President/Board Members shall report to the Board Chair.
3. Board Chair shall report to the Board's attorney.

VII. N.C. STATE ETHICS ACT

Pursuant to N.C.G.S. § 138A-3(30)(k), all voting Board members, the President, and the Executive Vice President, Chief Administrative Officer, and Chief Finance Officer, as appropriate, ("Covered Persons") are subject to the N.C. State Ethics Act. Covered Persons shall complete and file a public disclosure of economic interests as required under the Act, adhere to the ethics standard required under the Act, and shall complete all required mandatory ethics education and training.

VIII. CONTRACTS WITH NONPROFITS

A Board member who is also a director, officer, or governing board member of a nonprofit organization will not (1) knowingly vote on, participate in deliberations on, or administer any contract with that nonprofit; (2) influence or attempt to influence the deliberation or vote of others on any such contract; or (3) solicit or receive any gift, reward, or other benefit in exchange

for recommending, influencing, or attempting to influence the award of such contract in violation of G.S. 14-234.3. A Board member must notify the Chair of any potential conflict under this section and, if the Board votes on the matter, a Board member with a conflict under this section may not participate in the debate or vote on the matter. Once the Board member's recusal is recorded in the minutes of the Board, the Board may approve the contract.

Any contract entered into in violation of this section is void.

IX. APPEARANCE OF A CONFLICT

Board members and employees shall make every effort to avoid even the appearance of a conflict of interest. An appearance of conflict exists when a reasonable person may conclude from the circumstances that a Trustee or employee's ability to protect the public interest, or perform public duties, is compromised by familial, personal, or financial interests. An appearance of conflict may exist even in the absence of a true conflict of interest.

Any applicable State Board administrative regulations and rules and any applicable North Carolina state law will take precedence over this Policy.

REFERENCES

Statutory References	N.C.G.S. §§ 14-234, 115D-26, 133-32, Ch. 138A
Regulatory References	None
Relevant Guidance	None
Policy Manual Cross-References	Duplicate: ● Policy 3.4.1 – Conflict of Interest Referenced by: ● Policy 1.2.3 – Expectations of Trustees and Removal

POLICY HISTORY

September 12, 2023	Adopted.
August 27, 2025	Renumbered to Policy 1.2.2 / 3.4.1 from Policy 1.4 / 3.4.1 for organizational clarity and consistency with organizational structure of other sections.
February 17, 2026	Renumbered to Policy 1.2.2 from Policy 1.2.2 / 3.4.1 due to streamlining of duplicate policies.