

NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



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STATE AND LOCAL GOVERNMENT FINANCE DIVISION

Module 7: Ethics and Conflicts of Interest

Ethics & Conflicts of Interest

- Elected officials set a critical “tone at the top” by considering the appearance as well as the actual circumstances surrounding their actions.
- NC law requires all governing boards to adopt a policy containing a code of ethics and receive ethics training within 12 months of being elected or reelected to office.

§ 160A-86. Local governing boards' code of ethics.

(a) Governing boards of cities, counties, local boards of education, unified governments, sanitary districts, and consolidated city-counties shall adopt a resolution or policy containing a code of ethics to guide actions by the governing board members in the performance of the member's official duties as a member of that governing board.

(b) The resolution or policy required by subsection (a) of this section shall address at least all of the following:

- (1) The need to obey all applicable laws regarding official actions taken as a board member.
- (2) The need to uphold the integrity and independence of the board member's office.
- (3) The need to avoid impropriety in the exercise of the board member's official duties.
- (4) The need to faithfully perform the duties of the office.
- (5) The need to conduct the affairs of the governing board in an open and public manner, including complying with all applicable laws governing open meetings and public records. (2009-403, s. 1.)

§ 160A-87. Ethics education program required.

(a) All members of governing boards of cities, counties, local boards of education, unified governments, sanitary districts, and consolidated city-counties shall receive a minimum of two clock hours of ethics education within 12 months after initial election or appointment to the office and again within 12 months after each subsequent election or appointment to the office.

(b) The ethics education shall cover laws and principles that govern conflicts of interest and ethical standards of conduct at the local government level.

(c) The ethics education may be provided by the North Carolina League of Municipalities, North Carolina Association of County Commissioners, North Carolina School Boards Association, the School of Government at the University of North Carolina at Chapel Hill, or other qualified sources at the choice of the governing board.

(d) The clerk to the governing board shall maintain a record verifying receipt of the ethics education by each member of the governing board. (2009-403, s. 1.)



Ethics

- **Honesty & Integrity** -board members should foster public trust in the board among the community. Act transparently.
- **Impartiality & Respect** -all issues and all citizens should be handled with fairness, impartiality and respect.



Ethics

- **Fair & Equitable Treatment** - board members should never act in a way that would result in preferential treatment.
- **Effort** - board members have an obligation to faithfully perform duties.
- **Accountability** - board members should accept responsibility for their personal code of ethics.



Conflicts of Interest

- A “conflict of interest” is a situation in which a person may be getting or is perceived to be getting a personal benefit from actions or decisions they make in an official capacity.
- Avoid accepting gifts or favors that the public may perceive as influencing the awarding of a public contract.
- Avoid the use of confidential information for personal gain.



Resources

LGC Staff (919)-814-4300

[LGC Website](#)

<https://www.sog.unc.edu>

www.nclm.org

www.ncacc.org

<https://www.gfoa.org/best-practices--resources>



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Module 7

1. NC law requires all elected officials to receive ethics training within how many months of being elected or reelected?
2. What is a situation called in which a person may be getting a personal benefit from actions or decisions they make in an official capacity?
3. What kind of information should be avoided for personal gain?

