

Conflict of Interest Policy:
Contracts and Subawards of Town of Apex Supported by Federal Financial Assistance

I. Scope of Policy

- A. Purpose of Policy. This Conflict of Interest Policy (“*Policy*”) establishes conflict of interest standards that (1) apply when the Town of Apex (the “*Town*”) enters into a Contract (as defined in Section II hereof) or makes a Subaward (as defined in Section II hereof), and (2) meet or exceed the requirements of North Carolina law and 2 C.F.R. § 200.318(c).
- B. Application of Policy. This Policy shall apply when the Town (1) enters a Contract to be funded, in part or in whole, by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies, or (2) makes any Subaward to be funded by Federal Financial Assistance to which 2 C.F.R. § 200.318(c) applies. If a federal statute, regulation, or the terms of a financial assistance agreement applicable to a particular form of Federal Financial Assistance conflicts with any provision of this Policy, such federal statute, regulation, or terms of the financial assistance agreement shall govern.

II. Definitions

Capitalized terms used in this Policy shall have the meanings ascribed thereto in this Section II: Any capitalized term used in this Policy but not defined in this Section II shall have the meaning set forth in 2 C.F.R. § 200.1.

- A. “*COI Point of Contact*” means the individual identified in Section III(a) of this Policy.
- B. “*Contract*” means, for the purpose of Federal Financial Assistance, a legal instrument by which the Town purchases property or services needed to carry out a program or project under a Federal award.
- C. “*Contractor*” means an entity or individual that receives a Contract.
- D. “*Covered Individual*” means a Public Officer, employee, or agent of the Town.¹
- E. “*Covered Nonprofit Organization*” means a nonprofit corporation, organization, or association, incorporated or otherwise, that is organized or operating in the State of North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes, excluding any board, entity, or other organization created by the State of North Carolina or any political subdivision of the State (including the Town).
- F. “*Direct Benefit*” means, with respect to a Public Officer or employee of the Town, or the spouse of any such Public Officer or employee, (i) having a ten percent (10%) ownership interest or other interest in a Contract or Subaward; (ii) deriving any income or commission directly from a Contract or Subaward; or (iii) acquiring property under a Contract or Subaward.
- G. “*Federal Financial Assistance*” means Federal financial assistance that the Town receives or administers in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other

¹ 2 C.F.R. § 200.318(c)(1) prohibits any “employee, officer, or agent” of a recipient or subrecipient from participating in the “selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.”

Federal financial assistance (except that the term does not include loans, loan guarantees, interest subsidies, or insurance).

- H. “*Governing Board*” means the Apex Town Council.
- I. “*Immediate Family Member*” means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
- J. “*Involved in Making or Administering*” means (i) with respect to a Public Officer or employee, (a) overseeing the performance of a Contract or Subaward or having authority to make decisions regarding a Contract or Subaward or to interpret a Contract or Subaward, or (b) participating in the development of specifications or terms or in the preparation or award of a Contract or Subaward, (ii) only with respect to a Public Officer, being a member of a board, commission, or other body of which the Public Officer is a member, taking action on the Contract or Subaward, whether or not the Public Officer actually participates in that action.
- K. “*Pass-Through Entity*” means a non-Federal entity that provides a Subaward to a Subrecipient to carry out part of a Federal program.
- L. “*Public Officer*” means an individual who is elected or appointed to serve or represent the Town (including, without limitation, any member of the Governing Board), other than an employee or independent contractor of the Town.
- M. “*Recipient*” means an entity, usually but not limited to a non-Federal entity, that receives a Federal award directly from a Federal awarding agency. The term does not include Subrecipients or individuals that are beneficiaries of the award.
- N. “*Related Party*” means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Town) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.
- O. “*Subaward*” means an award provided by a Pass-Through Entity to carry out part of a Federal award received by the Pass-Through Entity. It does not include payments to a contractor or payments to a contractor or payments to an individual that is a beneficiary of a Federal program.
- P. “*Subcontract*” means any agreement entered into by a Subcontractor to furnish supplies or services for the performance of a Contract or a Subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
- Q. “*Subcontractor*” means an entity that receives a Subcontract.
- R. “*Subrecipient*” means an entity, usually but not limited to a non-Federal entity, that receives a subaward from a Pass-Through Entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

III. COI Point of Contact.

- A. Appointment of COI Point of Contact. The Apex Finance Director, an employee of the Town, shall have primary responsibility for managing the disclosure and resolution of potential or actual conflicts of interest arising under this Policy. In the event that the Finance Director is unable to serve in such capacity, the Assistant Finance Director shall assume responsibility for managing the disclosure and resolution of conflicts of interest arising under this Policy. The individual with responsibility for managing the disclosure and resolution of potential or actual conflicts of interest under this Section III(a) shall be known as the “*COI Point of Contact*”.
- B. Distribution of Policy. The COI Point of Contact shall ensure that each Covered Individual receives a copy of this Policy.

IV. Conflict of Interest Standards in Contracts and Subawards

- A. North Carolina Law. North Carolina law restricts the behavior of Public Officers and employees of the Town involved in contracting on behalf of the Town. The Town shall conduct the selection, award, and administration of Contracts and Subawards in accordance with the regulations and prohibitions imposed by the North Carolina General Statutes and restated in this Section IV.
1. G.S. § 14-234(a)(1). A Public Officer or employee of the Town Involved in Making or Administering a Contract or Subaward on behalf of the Town shall not derive a Direct Benefit from such a Contract or Subaward.²
 2. G.S. § 14-234(a)(3). No Public Officer or employee of the Town may solicit or receive any gift, favor, reward, service, or promise of reward, including but not limited to a promise of future employment, in exchange for recommending, influencing, or attempting to influence the award of a Contract or Subaward by the Town.
 3. G.S. § 14-234.3. If a member of the Governing Board of the Town serves as a director, officer, or governing board member of a Covered Nonprofit Organization, such member shall not (1) deliberate or vote on a Contract or Subaward between the Town and the Covered Nonprofit Corporation, (2) attempt to influence any other person who deliberates or votes on a Contract or Subaward between the Town and the Covered Nonprofit Corporation, or (3) solicit or receive any gift, favor, reward, service, or promise of future employment, in exchange for recommending or attempting to influence the award of a Contract or Subaward to the Covered Nonprofit Organization.
 4. G.S. § 14-234.1. A Public Officer or employee of the Town shall not, in contemplation of official action by the Public Officer or employee, or in reliance on information which was made known to the public officer or employee and which has not been made public, (1) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit which may be affected by such information or other information, or (2) intentionally aid another in violating the provisions of this section.

² Refer to G.S. § 14-234 for exemptions under North Carolina law. North Carolina law does not exempt any contracts from the prohibition in G.S. § 14-234(a)(1) solely because a public officer or employee involved in making or administering a contract has an insubstantial or *de minimis* financial interest in an entity under contract with the Town.

B. Federal Standards.

1. Prohibited Conflicts of Interest in Contracting. Without limiting any specific prohibition set forth in Section IV(A), a Covered Individual may not participate in the selection, award, or administration of a Contract or Subaward if such Covered Individual has a real or apparent conflict of interest.
 - a) Real Conflict of Interest. A real conflict of interest shall exist when the Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward. Exhibit A attached hereto provides a non-exhaustive list of examples of (i) financial or other interests in a firm considered for a Contract or Subaward, and (ii) tangible personal benefits from a firm considered for a Contract or Subaward.
 - b) Apparent Conflict of Interest. An apparent conflict of interest shall exist where a real conflict of interest may not exist under Section IV(B)(1)(a), but where a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the appearance that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract or Subaward.
2. Identification and Management of Conflicts of Interest.³
 - a) Duty to Disclose and Disclosure Forms
 - i. Each Covered Individual expected to be or actually involved in the selection, award, or administration of a Contract or Subaward has an ongoing duty to disclose to the COI Point of Contact potential real or apparent conflicts of interest arising under this Policy.
 - ii. Prior to the Town's award of a Contract or Subaward, the COI Point of Contact shall advise Covered Individuals expected to be involved in the selection, award, or administration of the Contract or Subaward of such duty.
 - iii. If the value of a proposed Contract or Subaward exceeds \$50,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form contained in Exhibit C (for Contracts) and Exhibit E (for Subawards) from each Covered Individual and file such Conflict of Interest Disclosure Form in the records of the Town.⁴
 - b) Identification Prior to Award of Contract or Subaward.
 - i. Prior to the Town's award of a Contract or Subaward, the COI Point of Contact shall complete the appropriate Compliance Checklist contained in Exhibit B (for Contracts) and

³ This Section creates a conflict of interest disclosure and management system that ensures governing board review in some circumstances. The purpose of review by the governing board and a management official is to serve as an internal control mechanism.

⁴ Neither 2 C.F.R. § 200.318(c)(1) nor any guidance released by the U.S. Treasury applicable to Fiscal Recovery Funds requires the Town to obtain conflict of interest disclosures from Covered Individuals. This is intended to serve as an internal control mechanism to prevent the Town from inadvertently entering into prohibited transactions and the Town might chose not to adopt it.

Exhibit D (for Subawards) attached hereto and file such Compliance Checklist in the records of the Town.

c) Management Prior to Award of Contract or Subaward

- i. If, after completing the Compliance Checklist, the COI Point of Contact identifies a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the COI Point of Contact shall disclose such findings in writing to the Town Manager, Town Attorney, and to the Governing Board. If the Governing Board desires to enter into the proposed Contract or Subaward despite the identification by the COI Point of Contact of a potential real or apparent conflict of interest, it may either:
 - 1) accept the finding of the COI Point of Contact and direct the COI Point of Contact to obtain authorization to enter into the Contract or Subaward from (a) if the Town is a Recipient of Federal Financial Assistance, the Federal awarding agency with appropriate mitigation measures, or (b) if the Town is a Subrecipient of Federal Financial Assistance, from the Pass-Through Entity that provided a Subaward to the Town; or
 - 2) reject the finding of the COI Point of Contact and enter into the Contract or Subaward. In rejecting any finding of the COI Point of Contact, the Governing Board shall in writing document a justification supporting such rejection.
- ii. If the COI Point of Contact does not identify a potential real or apparent conflict of interest relating to a proposed Contract or Subaward, the Town may enter into the Contract or Subaward in accordance with the Town's purchasing or subaward policy.

d) Identification After Award of Contract or Subaward.

- i. If the COI Point of Contact discovers that a real or apparent conflict of interest has arisen after the Town has entered into a Contract or Subaward, the COI Point of Contact shall, as soon as possible, disclose such findings to the Town Manager, Town Attorney, and to the Governing Board. Upon discovery of such a real or apparent conflict of interest, the Town shall cease all payments under the relevant Contract or Subaward until the conflict of interest has been resolved.

e) Management After Award of Contract or Subaward.

- i. Following the receipt of such disclosure of a potential real or apparent conflict of interest pursuant to Section IV(B)(2), the Governing Board may reject the finding of the COI Point of Contact by documenting in writing a justification supporting such rejection. If the Governing Board fails to reject the finding of the COI Point of Contact within 15 days of receipt, the COI Point of Contact shall:
 - 1) if the Town is a Recipient of Federal Financial Assistance funding the Contract or Subaward, disclose the conflict to the Federal awarding agency providing such Federal Financial Assistance in accordance with 2 C.F.R. § 200.112 and/or applicable regulations of the agency, or

- 2) if the Town is a Subrecipient of Federal Financial Assistance, disclose the conflict to the Pass-Through Entity providing a Subaward to the Town in accordance with 2 C.F.R. § 200.112 and applicable regulations of the Federal awarding agency and the Pass-Through Entity.

V. **Oversight of Subrecipient's Conflict of Interest Standards**

- A. **Subrecipients of the Town Must Adopt Conflict of Interest Policy.** Prior to the Town's execution of any Subaward for which the Town serves as a Pass-Through Entity, the COI Point of Contact shall ensure that the proposed Subrecipient of Federal Financial Assistance has adopted a conflict of interest policy that satisfies the requirements of 2 C.F.R. § 200.318(c)(1), 2 C.F.R. § 200.318(c)(2), and all other applicable federal regulations.
- B. **Obligation to Disclose Subrecipient Conflicts of Interest.** The COI Point of Contact shall ensure that the legal agreement under which the Town makes a Subaward to a Subrecipient shall require such Subrecipient to disclose to the COI Point of Contact any potential real or apparent conflicts of interest that the Subrecipient identifies. Upon receipt of such disclosure, the COI Point of Contact shall disclose such information to the Federal awarding agency that funded the Subaward in accordance with that agency's disclosure policy.

VI. **Gift Standards**

- A. **Federal Standard.** Subject to the exceptions set forth in Section VI(B), a Covered Individual may not solicit or accept gratuities, favors, or anything of monetary value from a Contractor or a Subcontractor.
- B. **Exception.** Notwithstanding Section VI(A), a Covered Individual may accept an unsolicited gift from a Contractor or Subcontractor of one or more types specified below if the gift has an aggregate market value of \$20 or less per source per occasion:
 1. honorariums for participating in meetings;
 2. advertising items or souvenirs of nominal value; or
 3. meals furnished at banquets.
- C. **Internal Reporting.** A Covered Individual shall report any gift accepted under Section VI(B) to the COI Point of Contact. If required by regulation of a Federal awarding agency, the COI Point of Contact shall report such gifts to the Federal awarding agency or a Pass-Through Entity for which the Town is a Subrecipient.

VII. **Violations of Policy**

- A. **Disciplinary Actions for Covered Individuals.** Any Covered Individual that fails to disclose a real, apparent, or potential real or apparent conflict of interest arising with respect to the Covered Individual or Related Party may be subject to disciplinary action, including, but not limited to, an employee's termination or suspension of employment with or without pay, the consideration or adoption of a resolution of censure of a Public Officer by the Governing Board, or termination of an agent's contract with the Town.

- B. Disciplinary Actions for Contractors and Subcontractors. The Town shall terminate any Contract with a Contractor or Subcontractor that violates any provision of this Policy.
- C. Protections for Whistleblowers. In accordance with 41 U.S.C. § 4712, the Town shall not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing to any of the list of persons or entities provided below, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant: (i) a member of Congress or a representative of a committee of Congress; (ii) an Inspector General; (iii) the Government Accountability Office; (iv) a Treasury or other federal agency employee responsible for grant oversight or management; (v) an authorized official of the Department of Justice or other law enforcement agency; (vi) a court or grand jury; of (vii) a management official or other employee of the Town, a Contractor, or Subcontractor who has the responsibility to investigate, discover, or address misconduct.

Adopted this the _____ day of _____, _____.

EXHIBIT A
Examples

<i>Potential Examples of a “Financial or Other Interest” in a Firm or Organization Considered for a Contract or Subaward</i>	<i>Potential Examples of a “Tangible Personal Benefit” From a Firm or Organization Considered for a Contract or Subaward</i>
<p>Direct or indirect equity interest in a firm or organization considered for a Contract or Subaward, which may include:</p> <ul style="list-style-type: none"> - Stock in a corporation. - Membership interest in a limited liability company. - Partnership interest in a general or limited partnership. - Any right to control the firm or organization’s affairs. For example, a controlling equity interest in an entity that controls or has the right to control a firm considered for a contract. - Option to purchase any equity interest in a firm or organization. 	<p>Opportunity to be employed by the firm considered for a contract, an affiliate of that firm, or any other firm with a relationship with the firm considered for a Contract.</p> <p>A position as a director or officer of the firm or organization, even if uncompensated.</p>
<p>Holder of any debt owed by a firm considered for a Contract or Subaward, which may include:</p> <ul style="list-style-type: none"> - Secured debt (e.g., debt backed by an asset of the firm (like a firm’s building or equipment)) - Unsecured debt (e.g., a promissory note evidencing a promise to repay a loan). <ul style="list-style-type: none"> • Holder of a judgment against the firm. 	<p>A referral of business from a firm considered for a Contract or Subaward.</p>
<p>Supplier or contractor to a firm or organization considered for a Contract or Subaward.</p>	<p>Political or social influence (e.g., a promise of appointment to a local office or position on a public or private board).</p>

EXHIBIT B

Compliance Checklist for Oversight of Contract Conflicts of Interest

The Town of Apex (“*the Town*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Town’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Contracts (as defined in Section II) and file the Checklist in the records of the Town.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Contract exceeds \$50,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the Town Manager, Town Attorney, and to the Governing Board.

Definitions

1. *Covered Individual* means each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Town) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step	
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1	Identify the proposed Contract, counterparty, and the subject of the Contract.	Name of Contract: _____		
		Name of Counterparty: _____		
		Subject of Contract: _____		
2	Identify all individuals involved in the selection, award, or administration of the Contract. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.			
	<u>Public Officers</u>	<u>Employees</u>	<u>Agents</u>	
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Contract. If the estimated Contract amount exceeds \$50,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact. (Any identified interest in Step 3 is a potential “real” conflict of interest.)			
	<u>Public Officers</u>	<u>Employees</u>	<u>Agents</u>	
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Contract. If the estimated Contract amount exceeds \$50,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact. (Any identified interest in Step 4 is a potential “real” conflict of interest.)			
	<u>Public Officers – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>	
5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Contract? If yes, explain. (Any identified interest in Step 5 is a potential “apparent” conflict of interest.)			
	<u>Public Officers</u>	<u>Employees</u>	<u>Agents</u>	

COI Point of Contact: _____

Signature of COI Point of Contact: _____

Date of Completion: _____

EXHIBIT C

Contract Conflict of Interest Disclosure Form for Officers, Employees, and Agents

The Town of Apex (“*the Town*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Town’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the “COI Point of Contact.”

The COI Point of Contact has identified you as an officer, employee, or agent of the Town that may be involved in the selection, award, or administration of the following contract: _____ (the “*Contract*”). To safeguard the Town’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Contract. Using Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

2. Will you receive any tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

3. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

4. Do you have any other partner with a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

6. Does your current or potential employer (other than the Town) have a financial or other interest in a firm considered for this Contract or will such current or potential employer receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

- a. Does a current or potential employer (other than the Town) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- b. Will a current or potential employer (other than the Town) of any of your Immediate Family Members receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- c. Does a current or potential employer (other than the Town) of any partner of yours have a financial or other interest in a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- d. Will a current or potential employer (other than the Town) of any partner of yours receive a tangible personal benefit from this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

8. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

9. Does any existing situation or relationship create the appearance that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Town) has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

11. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

12. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any other partner has a financial or other interest in a firm considered for this Contract or will receive a tangible personal benefit from a firm considered for this Contract?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

Signature: _____

Print Name: _____

Name of Employer _____

Job Title: _____

Date of Completion: _____

EXHIBIT D

Compliance Checklist for Subaward Oversight

The Town of Apex (“*the Town*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Town’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the “COI Point of Contact.” The Policy requires the COI Point of Contact to complete this Compliance Checklist to identify potential real or apparent conflicts of interest in connection with proposed Subawards (as defined in Section II) and file the Checklist in the records of the Town.

Instructions for Completion

1. The COI Point of Contact shall complete Steps 1 through 5 of the Checklist below.
2. If the value of the proposed Subaward exceeds \$50,000, the COI Point of Contact shall collect a Conflict of Interest Disclosure Form from each Covered Individual.
3. If the COI Point of Contact identifies a potential real or apparent conflict of interest after completing this Compliance Checklist, the COI Point of Contact shall report such potential conflict of interest to the Town Manager, Town Attorney, and to the Governing Board.

Definitions

1. *Covered Individual*. Each person identified in Section 1 of this Checklist is a “Covered Individual” for purposes of this Compliance Checklist and the Policy.
2. *Immediate Family Member* means, with respect to any Covered Individual, (i) a spouse, and parents thereof, (ii) a child, and parent thereof, (iii) a parent, and spouse thereof, (iv) a sibling, and spouse thereof, (v) a grandparent and grandchild, and spouses thereof, (vi) domestic partners and parents thereof, including domestic partners of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with the Covered Individual is the equivalent of a family relationship.
3. *Related Party* means (i) an Immediate Family Member of a Covered Individual, (ii) a partner of a Covered Individual, or (iii) a current or potential employer (other than the Town) of a Covered Individual, of a partner of a Covered Individual, or of an Immediate Family Member of a Covered Individual.

Step		
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1	Identify the proposed Subaward, Subrecipient, and the subject of the Subaward.	Name of Contract: _____ Name of Counterparty: _____ Subject of Subaward: _____		
2	Identify all individuals involved in the selection, award, or administration of the Subaward. These individuals are “Covered Individuals”. Ensure that each Covered Individual has been provided with a copy of the Conflict of Interest Policy.			
	<u>Public Officers</u>	<u>Employees</u>	<u>Agents</u>	
3	Identify whether any Covered Individual has a (i) financial or other interest in, or (ii) tangible personal benefit from the firm considered for a Subaward. [If the estimated Subaward amount exceeds \$50,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact. (Any identified interest in Step 3 is a potential “real” conflict of interest.)			
	<u>Public Officers</u>	<u>Employees</u>	<u>Agents</u>	
4	Identify whether any Related Party has a (i) financial or other interest in or (ii) tangible personal benefit from the firm considered from a Subaward. If the estimated Subaward amount exceeds \$50,000, ensure that each Covered Individual files a Conflict of Interest Disclosure Form with the COI Point of Contact. (Any identified interest in Step 4 is a potential “real” conflict of interest.)			
	<u>Public Officers – Related Party</u>	<u>Employees – Related Party</u>	<u>Agents – Related Party</u>	
5	Identify whether a reasonable person with knowledge of the relevant facts would find that an existing situation or relationship creates the <i>appearance</i> that a Covered Individual or any Related Party has a financial or other interest in or a tangible personal benefit from a firm considered for a Subaward? If yes, explain. (Any identified interest in Step 5 is a potential “apparent” conflict of interest.)			
	<u>Public Officers</u>	<u>Employees</u>	<u>Agents</u>	

COI Point of Contact: _____

Signature of COI Point of Contact: _____

Date of Completion: _____

EXHIBIT E

Subaward Conflict of Interest Disclosure Form for Officers, Employees, and Agents

The Town of Apex (“*the Town*”) has adopted a Conflict of Interest Policy (“*Policy*”) that governs the Town’s expenditure of Federal Financial Assistance (as defined in Section II of the Policy). The Policy designates the Finance Director as the COI Point of Contact.

The COI Point of Contact has identified you as an officer, employee, or agent of the Town that may be involved in the selection, award, or administration of the following subaward: _____ (the “*Subaward*”). To safeguard the Town’s expenditure of Federal Financial Assistance, the COI Point of Contact has requested that you identify any potential real or apparent conflicts of interest in the Firm considered for the award of a Subaward. Using Exhibit A to the Policy as a guide, please answer the following questions:

1. Do you have a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

2. Will you receive any tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

3. For purposes of Question 3(a) and 3(b), your “Immediate Family Members” include: (i) your spouse and their parents, (ii) your child, (iii) your parent and any spouse of your parent, (iv) your sibling and any spouse of your sibling, (v) your grandparents or grandchildren, and the spouses of each, (vi) any domestic partner of any individual in (ii) through (v) of this definition; and (vii) any individual related by blood or affinity whose close association with you is the equivalent of a family relationship.

a. Do you have an Immediate Family Member with a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

b. Do you have an Immediate Family Member that will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

4. Do you have any other partner with a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

5. Will any other partner of yours receive any tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

6. Does your current or potential employer (other than the Town) have a financial or other interest in a firm considered for this Subaward or will such current or potential employer receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

7. Benefits to Employers

- a. Does a current or potential employer (other than the Town) of any of your Immediate Family Members have a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- b. Will a current or potential employer (other than the Town) of any of your Immediate Family Members receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- c. Does a current or potential employer (other than the Town) of any partner of yours have a financial or other interest in a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

- d. Will a current or potential employer (other than the Town) of any partner of yours receive a tangible personal benefit from this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

8. Does any existing situation or relationship create the *appearance* that you have a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

9. Does any existing situation or relationship create the appearance that any Immediate Family Member of yours has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

10. Does any existing situation or relationship create the appearance that your current or potential employer (other than the Town) has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

11. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any of your Immediate Family Members has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

12. Does any existing situation or relationship create the appearance that any current or potential employer (other than the Town) of any other partner has a financial or other interest in a firm considered for this Subaward or will receive a tangible personal benefit from a firm considered for this Subaward?

Yes _____ No _____ Unsure: _____

If the answer is Yes or Unsure, please explain:

Signature: _____

Print Name: _____

Name of Employer _____

Job Title: _____

Date of Completion: _____