



HAYWOOD COUNTY TOURISM DEVELOPMENT AUTHORITY Conflict of Interest Policy

Adopted this 27th Day of March, 2025

I. Purpose

The purpose of this policy is to protect the integrity and transparency of the Haywood County Tourism Development Authority (HCTDA) by ensuring that all decisions and actions are made in the best interest of the Authority and the public it serves. This policy supplements, but does not replace, any applicable laws governing conflicts of interest applicable to HCTDA. This policy applies to all Board of Director members, Committee members, and staff.

II. Definitions

1. **Interested Person** – Any Board member, Committee member, or staff who has a direct or indirect financial or personal interest in a decision or transaction involving HCTDA.
2. **Financial Interest** – A person has a financial interest if they have, directly or indirectly, through business, investment, or family member:
 - Have an ownership or investment interest in any entity conducting business with HCTDA.
 - Receive compensation or other financial benefits from an entity engaged in business with HCTDA.
 - Have a potential ownership, investment, or compensation arrangement that could be affected by HCTDA's decisions.
3. **Compensation** – Includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature.
4. **Actual Conflict of Interest** – A situation where an Interested Person's private or personal interest is sufficiently connected to their duties and responsibilities for HCTDA, influencing their decision-making.
5. **Perceived Conflict of Interest** – A situation where reasonably well-informed persons could properly believe that an Interested Person has an actual conflict of interest, even if that is not the case in fact.
6. **Potential Conflict of Interest** – A situation that may develop in the future where an Interested Person's private or personal interest could influence or be perceived to influence their official responsibilities.

III. Examples of Conflicts of Interest

A conflict of interest may arise from:

- Memberships, directorships, or other employment.
- Share ownership (direct or indirect).
- Existing professional or personal associations with the Authority.
- Professional or personal relationships with other groups or organizations.
- Family relationships that could impact impartial decision-making.

Examples include:

- A Board member's professional services firm bidding to become a supplier to HCTDA.
- A senior employee's spouse working for a firm seeking to become HCTDA's marketing agency.
- A Board or Committee member owning a tourism-related business that seeks funding or contracts from HCTDA.

IV. Procedures for Disclosure and Management of Conflicts

1. **Duty to Disclose** – An Interested Person must:
 - Disclose any actual or potential conflict of interest.
 - Update their disclosure if circumstances change during their tenure.
2. **Determining Whether a Conflict of Interest Exists** – After disclosure:
 - The Board or Committee will determine by a majority vote whether a conflict of interest exists.
3. **Abstention from Decision-Making** – Interested Persons with conflicts must:
 - Recuse themselves from discussions and votes on matters where a conflict exists.
 - Not attempt to influence decisions related to the conflict.
 - Ensure meeting minutes reflect the disclosure and recusal.
4. **Procedures for Addressing a Conflict of Interest**
 - After due diligence, the Board or Committee will determine whether the transaction is fair, reasonable, and in the best interests of HCTDA.
 - The Board or Committee may approve the transaction with a majority vote of disinterested members.

V. Record Keeping – All disclosures, recusals, and actions taken to address conflicts shall be documented in meeting minutes.

VI. Prohibited Conduct

1. **Personal Gain** – No Interested Person shall use their position for personal, professional, financial, or political benefit.
2. **Preferential Treatment** – No Board member, Committee member, or staff shall grant or receive preferential treatment in HCTDA's decision-making processes.
3. **Employment & Contracts** – HCTDA shall not engage in contracts or employment agreements that benefit Interested Persons unless fully disclosed and approved by a disinterested majority.
4. **Gifts & Compensation** – No Interested Person shall accept gifts, favors, or compensation that could be perceived as influencing their role at HCTDA.

VII. Enforcement and Violations

1. **Reporting Violations** – Suspected violations should be reported to the Executive Director or Board Chair.
2. **Review Process** – If the Board has reasonable cause to believe an Interested Person failed to disclose an actual or potential conflict:
 - The Interested Person will be informed and provided an opportunity to explain.
 - The Board shall review alleged violations and take appropriate action if a failure to disclose conflict of interest occurred, which may include:
 - Verbal or written warnings.
 - Request for resignation or recusal.
 - Recommend removal from the Board or termination of employment.

VIII. Acknowledgment & Compliance

All Board members, Committee members, and staff must review and sign this Conflict of Interest Policy annually to affirm their receipt, understanding, and compliance with the policy.