

WORK CONDUCT

**(Code of Ethics/Conflict of Interest Policies for Employees)
(Revised 8/17/09)**

The following policies are to supplement or revise the current KLC Employment Policies relating to Work Conduct in the current version of the KLC Employee Handbook (version 2006-2007) (pp. 37-46)). The only policies to be updated are listed below. All other policies in the Work Conduct section remain unchanged.

Standards of Performance and Conduct

Each employee of the Kentucky League of Cities is a representative of the League, both internally with co-workers and externally with members, contractors, business associates, affiliates, legislators and others. As a representative of the League, each employee is expected to act professionally, honestly, ethically, courteously and with integrity in all business transactions and interpersonal interactions while at work or on behalf of the League.

KLC expects all employees to conduct themselves in a professional, mature, and lawful manner. Employees must comply with established rules, regulations, policies, procedures, and directives; and the failure to do so will ultimately result in disciplinary action. In an effort to avoid misunderstandings about the types of conduct that must be avoided, a non-exhaustive list of specific infractions is provided below purely for informational purposes as a general guide for employees.

Unexcused tardiness

Unexcused absenteeism

Failure to perform an assigned task, to meet a deadline, or otherwise follow an instruction or directive

Insubordination

Misuse of leave

Unintentional violations of policy or procedure

Discourteous attitude toward the public or other employees

Theft or embezzlement of KLC or city property or assets

Use, possession, sale or transfer of illegal drugs, or being under the influence of illegal drugs in any manner that may impair the employee's ability to perform assigned duties or that may adversely affect KLC's business or reputation

Use of, or being under the influence of, alcoholic beverages during office hours

Personal behavior, whether on or off-duty, which is of major embarrassment to KLC and likely to damage the public reputation of the organization, or which is injurious to the interests of fellow employees

Repeated intentional disregard of these policies

Falsification of records

Invasion of another employee's privacy

Assault or fighting

Conviction of a serious criminal offense which jeopardizes or is injurious to KLC's property and security, its public reputation, or the interests of other employees, or which is incompatible with the due and faithful discharge of duties and responsibilities

Sexual or nonsexual harassment

Willful refusal to follow instructions, rules, regulations, policies, or to accept assignments

Horseplay or pranks which threaten the safety and security of the workplace or are offensive to other employees

Conflict of Interest

1. Employees must avoid taking any action that would result in or create the appearance of:
 - Using a KLC position for private gain
 - Giving preferential treatment to any organization or person outside the boundaries of a formal agreement
 - Impeding KLC efficiency or economy for private gain or on behalf of another organization or entity
 - Losing independence or impartiality of business decisions and actions
 - Making a decision outside official channels

2. Prior to entering any agreement, employees must disclose to the Executive Director/CEO, in writing, to be forwarded to the appropriate Finance Committee or Executive Board:

- Any personal financial interests, directly or indirectly, that conflict or appear to conflict with employee's KLC duties and responsibilities;
 - Any personal financial transactions that result from relying on information obtained through employee's KLC employment; or
 - Any acceptance of employment or compensation from any League members, contractors, supplier or vendors.
 - For purposes of this paragraph, disclosure by employee should also be made for any immediate family members, defined as a spouse, parent, grandparent, grandchild or child, who may benefit from any agreement as described in this subsection.
3. Employees shall not use League property for personal financial gain, or to advance political, social or religious causes.
 4. Employees shall notify the Executive Director/CEO in writing of any potential conflicts of interest and/or any financial interest in any company or firm that does business with KLC, any entity that is organizationally related to KLC, or any Kentucky city. Notifications received from employees shall be forwarded by the Executive Director/CEO for review and action by the Executive Board. The Executive Director/CEO shall likewise provide notification to the appropriate Finance Committee in writing, of any potential conflicts of interest and/or any financial interest he or she may have in any company or firm that does any business with KLC, any entity that is organizationally related to KLC, or any Kentucky city.

No employee shall enter into any personal contract with any company or firm doing business with KLC, any entity that is organizationally related to KLC, or with any Kentucky city without prior written approval of the Executive Board or other appropriate governing body of any entity organizationally related to KLC, for example Kentucky League of Cities Insurance Services Board. The Executive Director/CEO shall notify the Executive Board of any action taken by any organizationally related board.

5. All employees must annually complete and submit a KLC financial disclosure/conflict of interest form. In addition, employees have an affirmative duty to update the financial disclosure/conflict of interest form throughout the year as potential conflicts may arise.

Reporting Code of Ethics and/or Conflict of Interest Violations

An employee who becomes aware of a violation, or suspected violation, of the code of ethics or conflict of interest policy should report the violation promptly to one of the following: the Director of Human Resources; the employee's supervisor; any other supervisor with whom the employee feels comfortable discussing the matter; the General Counsel; the Deputy Executive Director; or Executive Director/CEO. All reports of ethics or conflict of interest policy violations will be kept confidential to the extent

feasible and appropriate under the circumstances. Further, if an employee makes such a report, the employee will not be discriminated against or be subject to retaliation in any way for having made the report. Any person found to have discriminated or retaliated against an employee who makes a complaint shall be subject to disciplinary action.

All reports of a violation, or suspected violation, of the code of ethics or conflict of interest policy shall be reduced to writing by the reporting employee or by the person receiving the report. The report shall be signed by the complaining employee. All reports shall be reviewed and investigated. The violation will be investigated by one (1) or more members of the management staff designated by the Deputy Executive Director or the Executive Director/CEO. The results of the investigation will be communicated to the complainant and the alleged policy violator.

Any employee found to have engaged in misconduct constituting a violation of the conflict of interest or code of ethics policy will be appropriately disciplined, up to and including dismissal. Similarly, any employee found to have discriminated or retaliated against an employee who files a complaint will be appropriately disciplined, up to and including dismissal.

An employee may speak directly to any member of the Executive Board about a suspected violation of this policy if the employee has reported fraud or illegal activity relating to a conflict of interest or code of ethics violation within the League to members of management without result.

Gifts

1. Employees shall not solicit or accept a gift from any person, corporation or entity that has, or is seeking to obtain, a contractual or other business or financial relationship with the League. "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return. The following are exceptions to this prohibition:
 - Employees may accept unsolicited advertising or promotional material, trinkets and mementos of less than \$100 in value such as pens, pencils, notepads, and calendars;
 - Employees may accept professional services that assist them in the performance of their job duties, such as advice, consultation, information and communication in connection with services to member cities;
 - Services or tangible items of less than \$100 in value;
 - A plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause;

- Any gift given because of the employee's membership in a group, a majority of whose members are not local officials, and an equivalent gift is given or offered to the other members of the group;
 - Any gift given by a family member of the employee, even if he or she has a contractual, financial or other business relationship with the League, unless the gift is given on behalf of an individual or organization that has or is seeking to obtain, a contractual, business, or other financial relationship with the League; or
2. All KLC personnel shall report to the Executive Director/CEO, the Deputy Executive Director, or designated management staff any gift from a vendor with a fair market value of \$100 or more that is offered to or received by the employee. The employee shall obtain the approval of the Executive Director/CEO or the Deputy Executive Director before finally accepting any gift valued at more than \$100. Any item offered may be accepted for KLC.